


3 1761 11554539 4









Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761115545394>



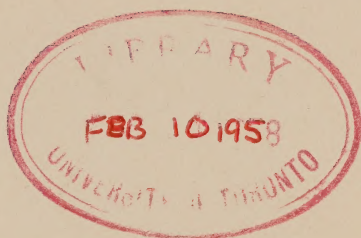


CA1

FN130

-R27

Government  
Publications



# Industrial Development Bank

*fiscal year* **1957**

1956/57

A red textured background with the white text "idb" in a bold, lowercase, sans-serif font.

***Annual Report to the Minister of Finance  
and Statement of Accounts***

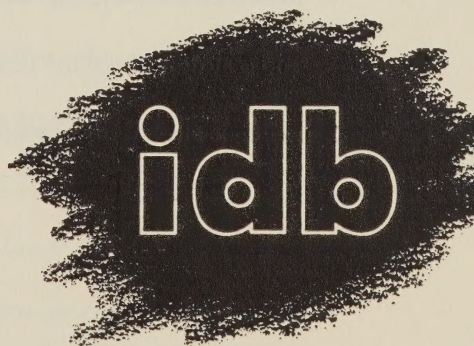
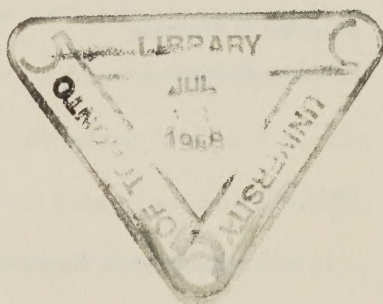




# Industrial Development Bank

"Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises . . ."

—Preamble of the Industrial  
Development Bank Act



# Industrial Development Bank

---

Ottawa, December 9th, 1957

The Hon. Donald M. Fleming, Q.C.,  
Minister of Finance,  
Ottawa, Ontario

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I am transmitting herewith my report for the fiscal year ending September 30th, 1957, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

J. E. Coyne,  
President.



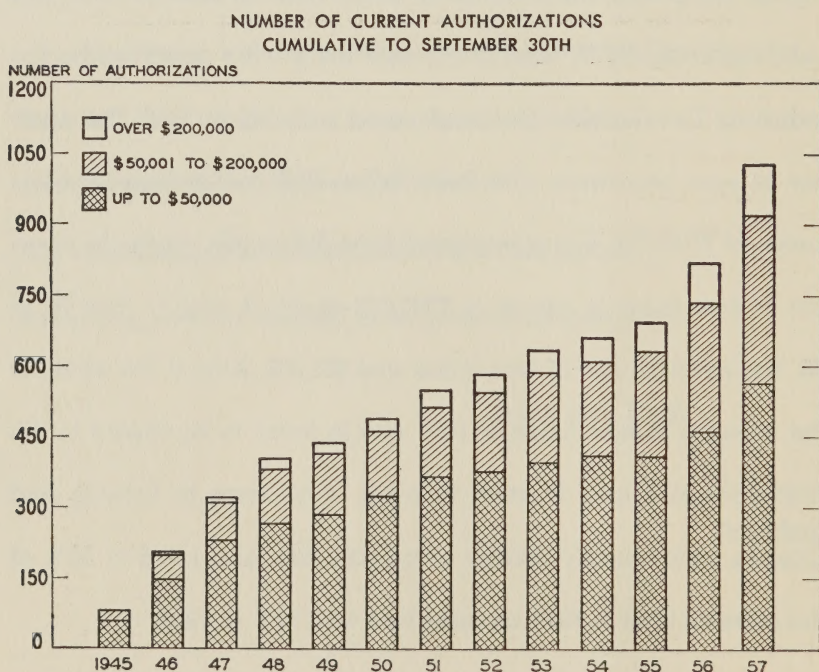
## Report of the President 1957

---

During the fiscal year ended September 30th, 1957, there were increased demands on the credit facilities of the Industrial Development Bank. Although chartered banks' total loans to industrial and commercial borrowers and investment in business enterprises by life insurance companies and other investors continued to rise during this period, the demand for credit from all sources increased even more rapidly. A total of 391 new loans were approved by the Industrial Development Bank compared with 340 in 1956. The number of new borrowers rose from 233 to 312, an increase of 34%. Loans of \$200,000 or less increased from 307 to 361, while the number of new loans in excess of \$200,000 declined slightly from 33 to 30. The average size of new loans was \$62,000. Almost the whole of the increase in new loans in 1957 was in loans to borrowers in the Atlantic region and Western Canada. New loans in Ontario and Quebec were slightly greater in number and amounted to 56% of the national total in 1957, as compared with 62% in 1956.

A comparison of the number of loans approved by the Bank during the last three fiscal year is given below and on the following page.

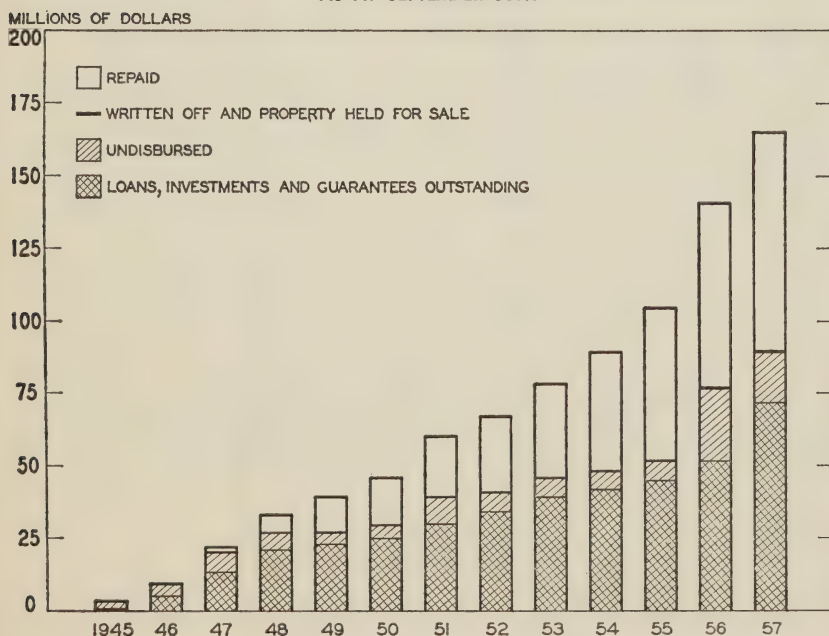
	New loans approved during the fiscal year ending Sept. 30th		
	1955	1956	1957
Number of New Borrowers.....	145	233	312
Number of New Loans to Existing Borrowers.....	69	107	79
Total New Loans Approved.....	214	340	391
Average Size (thousands of dollars).....	71	108	62





	New loans approved during the fiscal year ending Sept. 30th		
	1955	1956	1957
<b>By Size</b>			
Loans up to \$200,000.....	196	307	361
Loans exceeding \$200,000.....	18	33	30
Total.....	214	340	391
<b>By Geographical Area</b>			
Atlantic Provinces.....	11	21	38
Ontario - Quebec.....	128	209	219
Western Canada.....	75	110	134
Total.....	214	340	391

ANALYSIS OF LOANS, INVESTMENTS AND GUARANTEES AUTHORIZED  
AS AT SEPTEMBER 30TH



Other important features of the Bank's operations during the year under review as compared with the previous year are given in the following tabulation:

	<u>1956</u>	<u>1957</u>
Number of loans, investments and guarantees outstanding at September 30th...	821	1,028
Net authorizations current at September 30th.....	\$76,949,539	\$88,559,917
Disbursements during the year.....	20,192,801	32,362,043
Repayments during the year.....	12,091,268	12,618,279
Loans and investments outstanding plus liability under guarantees at September 30th.....	52,297,358	71,930,529
Amounts undisbursed at September 30th....	24,652,181	16,629,388

The distribution of Industrial Development Bank financing by industrial groups is indicated graphically and in detail in the two following pages.



# Industrial Classification of Loans, Investments and Guarantees

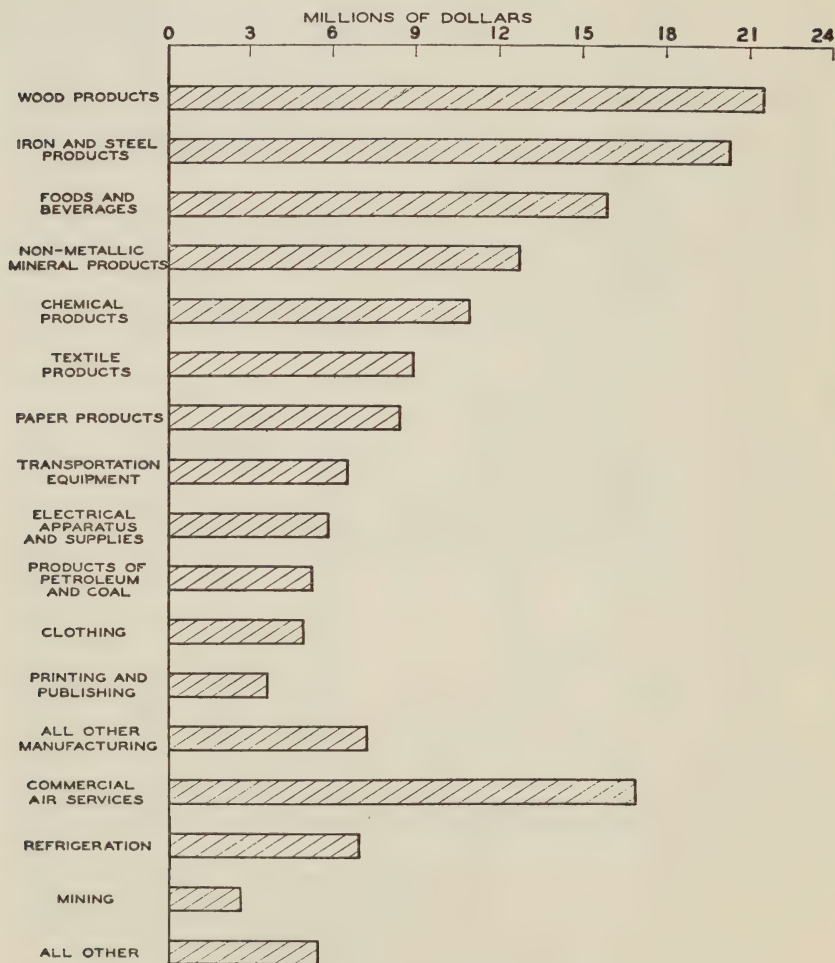
(Thousands of Dollars)

By Industrial Enterprises	Gross Auth. to Sept. 30/57 (less can- cancellations & reductions)	Gross Auth. during fiscal year 1957	Current Auth. at Sept. 30 1957	Amount Outstanding at Sept. 30 1957
1. Foods and Beverages.....	\$ 15,953	\$ 2,428	\$ 9,504	\$ 5,565
2. Tobacco and Tobacco Products.....	—	—	—	—
3. Rubber Products.....	280	25	245	167
4. Leather Products.....	1,139	10	368	221
5. Textile Products (except clothing).....	8,928	895	4,829	3,250
6. Clothing (Textiles and Fur).....	4,890	438	3,233	2,189
7. Wood Products.....	21,595	4,194	13,944	9,155
8. Paper Products (including Pulp).....	8,388	580	6,416	5,407
9. Printing, Publishing and Allied Industries.....	3,642	386	2,345	1,400
10. Iron and Steel Products (including Machinery and Equipment).....	20,337	3,684	12,440	7,370
11. Transportation Equipment.....	6,513	354	3,946	2,814
12. Non-Ferrous Metal Products.....	2,577	2,982	2,062	1,380
13. Electrical Apparatus & Supplies.....	5,808	772	4,991	3,456
14. Non-Metallic Mineral Products.....	12,695	2,058	8,661	5,801
15. Products of Petroleum & Coal.....	5,237	19	1,483	1,185
16. Chemical Products.....	10,923	569	6,163	4,003
17. Miscellaneous Manufacturing Industries .....	3,244	601	2,141	1,277
18. Transportation and Storage				
(a) Commercial Air Services.....	16,778	3,764	14,441	7,151
(b) Refrigeration .....	6,949	886	5,316	3,385
(c) Other .....	1,907	1,426	1,905	1,333
19. Generating & Distributing of Electricity	290	80	80	68
20. Mining .....	2,626	525	2,626	2,521
21. Construction .....	1,189	905	1,197	949
22. Industrial Buildings.....	2,251	2,007	2,264	1,360
23. Industrial and Technical Services.....	922	614	922	524
24. Forestry .....	—	—	—	—
	<u>\$165,061</u>	<u>\$30,202</u>	<u>\$111,522</u>	<u>\$71,931</u>

The above classification follows the lines of the accepted international standard of classification.

# Industrial Composition of Gross Authorizations

(Less Cancellations and Reductions)  
at September 30, 1957



An analysis by Provinces and Territories of the Bank's loans, investments and guarantees is given on the following page:

# Geographical Classification of Loans, Investments and Guarantees

(Thousands of Dollars)

By Provinces and Territories	Gross Auth. to Sept. 30/57 (less can- cancellations & reductions)	Gross Auth. during fiscal year 1957	Current Auth. at Sept. 30 1957	Amount Outstanding at Sept. 30/57
Newfoundland .....	\$ 475	\$ 255	\$ 433	\$ 315
Prince Edward Island .....	5,620	10	5,549	1,308
Nova Scotia .....	2,751	1,060	1,722	1,040
New Brunswick .....	3,819	1,237	1,947	1,083
Quebec .....	56,516	7,235	36,747	23,222
Ontario .....	46,366	8,995	33,916	23,752
Manitoba .....	7,306	1,185	5,090	3,793
Saskatchewan .....	4,928	858	1,616	562
Alberta .....	10,496	1,633	5,658	3,642
British Columbia .....	26,052	7,147	18,265	12,959
Yukon and North-West Territories .....	<u>732</u>	<u>587</u>	<u>579</u>	<u>255</u>
	<u>\$165,061</u>	<u>\$30,202</u>	<u>\$111,522</u>	<u>\$71,931</u>



# Size Classification of Current Authorizations

(Loans, Investments and Guarantees)

	Current Authorizations at Sept. 30/57	
	Number of Credits	Amount Authorized Thousands of Dollars
\$ 5,000 and under.....	10	\$ 44
5,001 to \$25,000.....	307	5,178
25,001 to 50,000.....	250	9,723
50,001 to 100,000.....	231	17,445
100,001 to 200,000.....	124	18,948
Over \$200,000.....	106	60,184
	<u>1,028</u>	<u>\$111,522</u>

## Size Classification of New Loan Approvals

New Loans Approved during the fiscal year ending Sept. 30th				
	No.	1956 Amount	No.	1957 Amount
5,000 and under.....	5	\$ 20,475	6	\$ 24,750
5,001 to \$25,000.....	116	1,911,305	143	2,370,400
25,001 to 50,000.....	82	3,097,785	90	3,524,500
50,001 to 100,000.....	73	5,524,508	87	6,477,548
100,001 to 200,000.....	31	4,646,950	35	5,377,500
Over \$200,000.....	33	23,848,000	30	12,230,500
Adjustments.....	—	70,480	—	196,846
	<u>340</u>	<u>\$39,119,503</u>	<u>391</u>	<u>\$30,202,044</u>

Authorizations for amounts of \$200,000 or less constituted over 90% by number of the undertakings in effect at the year end. Accounts which exceeded \$200,000 or which might exceed that sum upon full disbursement of arranged credits aggregated \$45,908,033; the statutory limitation in this respect is \$75,000,000.

## Statement of Profit and Loss

A summary of the Profit and Loss statements for the year ending September 30th, 1957, and for the previous fiscal year is provided below:

	Year ending 1957	September 30th 1956	Change over the year
<b>Income</b> .....	<u>\$3,601,471</u>	<u>\$2,703,197</u>	<u>+ \$898,274</u>
<b>Less:</b>			
Operating expenses.....	1,093,827	859,745	+ 234,082
Interest on debentures (including amortization of discount and premium).....	919,972	321,009	+ 598,963
Provision for bad and doubtful debts.....	<u>253,517</u>	<u>200,233</u>	<u>+ 53,284</u>
	<u>\$2,267,316</u>	<u>\$1,380,987</u>	<u>+ \$886,329</u>
<b>Profits transferred to Reserve Fund</b> .....	<u><u>\$1,334,155</u></u>	<u><u>\$1,322,210</u></u>	<u><u>+ \$ 11,945</u></u>

The increase of income amounting to <sup>8</sup>\$898,274 as compared with 1956, was entirely due to the increase in the Bank's average volume of loans and investments. The increase in operating expenses of \$234,082 is attributable in considerable measure to the impact for the first full fiscal year of additional staff and other expenses incurred in respect of the Calgary and Halifax offices opened late in



the 1956 fiscal year. Interest on debentures increased substantially both because of the increase in the amount of debentures outstanding and the rise in interest costs during a period of rising market rates of interest. Since the end of the Bank's fiscal year there has been a substantial decline in yields on Government of Canada securities and other market rates of interest and the Bank has reduced its normal lending rate from  $6\frac{1}{2}\%$  to 6% effective November 18th.

Profit before provision for bad and doubtful debts was \$1,587,672 as compared with \$1,522,443 during fiscal 1956. Bad debts aggregating \$53,517 in excess of recoveries were written off during the year and \$200,000 was transferred to the Reserve for Losses raising it to \$1,100,000. The balance of the profits, \$1,334,155, was transferred to the Reserve Fund which now stands at \$10,040,624. Net profits in 1957 were at the rate of 3.8% of the average amount of capital and reserves outstanding as compared with 3.9% in 1956.

Funds to provide for an increase during the year of \$19,690,200 in loans and investments outstanding were obtained principally from the sale of debentures, and to a smaller extent from net earnings during the year, and from amounts left temporarily on deposit with the Bank by borrowers. At September 30th, 1957, the face amount of debentures outstanding was \$35,450,000 representing an increase of \$17,750,000 during the fiscal year.

**Industrial De**  
**STATEMENT OF ASS**  
**AS AT SEPT**  
(with comparative figur

**ASSETS:**

	1957	1956
Cash on hand and deposits with other banks .....	\$ 349,635	\$ 26,406
Loans and investments .....	\$71,874,499	
Accrued interest .....	<u>473,299</u>	72,347,798
		52,535,135
Property held for sale (including agreements for sale) .....	169,944	169,897
Guarantees and underwriting agreements (as per contra) .....	56,031	113,060
Other assets (including unamortized debenture discount 1957 — \$817,517; 1956 — \$189,075) .....	<u>862,869</u>	<u>218,238</u>
	<u>\$73,786,277</u>	<u>\$53,062,786</u>

J. E. COYNE

President

**AUDITORS' REPORT**

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1957 and have received all the information and

G. A. ADAMSON, F.C.A.  
of Clarkson, Gordon & Co.  
Ottawa, November 1, 1957

**Development Bank**  
**ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 1957**  
**(September 30, 1956)**

		<b>LIABILITIES:</b>	
	1957	1956	
Capital—			
Authorized, issued and paid up			
250,000 shares par value \$100 each ....	\$25,000,000	\$25,000,000	
Reserve fund .....	10,040,624	8,706,469	
Reserve for losses .....	1,100,000	900,000	
Bonds and debentures			
outstanding ..... \$35,450,000			
Accrued interest ..... <u>582,500</u>	36,032,500	17,913,312	
Liabilities under guarantees and			
underwriting agreements .....	56,031	113,060	
Other liabilities (including insurance			
proceeds awaiting disposition 1957—			
\$1,144,668; 1956 — \$50,378 .....	<u>1,557,122</u>	<u>429,945</u>	
	<u>\$73,786,277</u>	<u>\$53,062,786</u>	

**E. FRICKER**  
 Chief Accountant

explanations we have required. We report that in our opinion it correctly sets forth the position of the Bank at September 30, 1957, according to the best of our information and as shown by the books of the Bank.

**MAURICE SAMSON, O.B.E., C.A.**  
 of Chartré, Samson, Beauvais, Bélair & Cie.



# Statement of Profit and Loss

FOR THE YEAR ENDED SEPTEMBER 30, 1957  
(with comparative figures for the year ended September 30, 1956)

	Year ended September 30	
	1957	1956
<b>INCOME:</b>		
On loans, investments and guarantees .....	\$3,488,451	\$ 2,570,004
Sundry .....	113,020	133,193
	<u>\$3,601,471</u>	<u>\$ 2,703,197</u>
<b>EXPENSES:</b>		
Salaries .....	\$ 717,898	\$ 569,716
Pension fund, unemployment insurance and group insurance .....	93,431	81,052
Investigation and supervision expenses .....	23,224	16,592
Travelling expenses .....	31,562	27,375
Rental and other costs — leased premises .....	108,544	73,911
Depreciation on equipment .....	11,571	8,756
Telephones and telegrams .....	20,220	16,001
Office supplies and expenses .....	23,079	15,490
Auditors' fees and expenses .....	6,050	5,150
Directors' fees .....	11,515	9,000
All other operating expenses .....	46,733	36,702
Total operating expenses .....	<u>\$1,093,827</u>	<u>\$ 859,745</u>
Interest on debentures (including amortization of discount and premium) .....	919,972	321,009
Provision for bad and doubtful debts .....	253,517	200,233
	<u>\$2,267,316</u>	<u>\$ 1,380,987</u>
Profits transferred to reserve fund .....	<u>\$1,334,155</u>	<u>\$ 1,322,210</u>

## RESERVE FOR LOSSES

Balance, September 30, 1956 .....		\$ 900,000
Add:		
Recovery of debts previously written off .....	\$ 362	
Provision for bad and doubtful debts for the year ended September 30, 1957 .....	253,517	253,879
		<u>\$ 1,153,879</u>
Less bad debts written off .....		53,879
Balance, September 30, 1957 .....		<u>\$ 1,100,000</u>

## RESERVE FUND

Balance, September 30, 1956 .....	\$ 8,706,469
Profits for year ended September 30, 1957 .....	1,334,155
Balance, September 30, 1957 .....	<u>\$10,040,624</u>

# Summary Statement of Profit and Loss

## (Comparative and Cumulative)

	Fiscal year ending Sept. 30th		Cumulative Total
	1957	1956	since Nov. 1st, 1944
Income on loans, investments and guarantees .....	\$3,488,451	\$2,570,004	\$18,388,081
Interest on Government of Canada securities .....	—	1,327	1,471,989
Profit on sales of Government of Canada securities .....	—	—	— 159,540
Profit on sales of other se- curities .....	—	—	804,933
All other income .....	113,020	131,866	414,872
Total income .....	\$3,601,471	\$2,703,197	\$20,920,335
Less operating expenses .....	1,093,827	859,745	7,181,709
Interest on I.D.B. debentures <sup>(1)</sup> .....	919,972	321,009	2,189,151
Provision for bad and doubtful debts .....	253,517	200,233	1,508,851
Profits transferred to the Re- serve Fund .....	\$1,334,155	\$1,322,210	\$10,040,624

## Write-offs

Bad debts written off (net) <sup>(2)</sup> .....	\$ 53,517	\$ 233	\$ 408,851
Reserve for losses at end of period .....	\$1,100,000	\$ 900,000	\$ 1,100,000

(1) After amortization of premium or discount on sale of debentures.

(2) Bad debts written off, less recovery of bad debts written off previously. The net write-off is debited to the reserve for losses account.

## Summary of Operations, 1957, 1956 and Cumulative

	Fiscal year ending 1957	September 30th 1956	Cumulative Total since Nov. 1, 1944
Gross authorizations of loans, investments and guar- antees .....	\$30,202,044	\$39,119,503	\$193,046,150
Net increase in authorizations to protect Property Held for Sale .....	3,641	6,059	40,329
Gross authorizations .....	\$30,205,685	\$39,125,562	\$193,086,479
Less cancellations and reductions .....	5,863,464	2,576,084	27,985,281
Net increase in authorizations .....	\$24,342,221	\$36,549,478	\$165,101,198
Less repayments, retirements of guarantees, write-offs and change in property held for sale .....	12,731,843	12,163,338	76,541,281
Increase in loans, investments and guarantees plus undisbursed .....	\$11,610,378	\$24,386,140	\$ 88,559,917
Disbursements* .....	\$32,362,043	\$20,192,801	\$147,671,279
Less repayments* .....	12,618,279	12,091,268	75,217,986
Less write-offs .....	53,517	233	408,851
Less changes in property held for sale account .....	+ 47	- 33,163	+ 169,944
Increase in outstanding loans and investments .....	\$19,690,200	\$ 8,134,463	\$ 71,874,498
Change in liability under guarantees .....	- 57,029	- 1,207,834	+ 56,031
Increase in outstanding loans, investments and liability under guarantees .....	\$19,633,171	\$ 6,926,629	\$ 71,930,529
Increase in undisbursed portion of loans & investments ..	- 8,022,793	+ 17,459,511	16,629,388
Increase in combined total outstanding plus undis- bursed .....	\$11,610,378	\$24,386,140	\$ 88,559,917

\*Exclusive of guarantees.



## Board of Directors

---

J. E. COYNE, President, Ottawa, Ont.

J. R. BEATTIE, Ottawa, Ont.  
Member of the Executive Committee

J. M. BUCHANAN, Vancouver, B.C.

E. G. BURTON, C.B.E., Toronto, Ont.

J. L. CAVANAGH, New Glasgow, N.S.

N. A. HESLER, Sackville, N.B.

W. A. JOHNSTON, Q.C., Winnipeg, Man.

R. H. MILLIKEN, Q.C., Regina, Sask.

H. O. PATRIQUIN, Edmonton, Alta.

A. C. PICARD, Quebec, Que.  
Member of the Executive Committee

H. A. RUSSELL, St. John's, Nfld.

A. SAMOISSETTE, O.B.E., Montreal, Que.

A. A. SCALES, Charlottetown, P.E.I.

K. W. TAYLOR, C.B.E., Ottawa, Ont.  
Member of the Executive Committee

# Officers

---

J. E. COYNE, President

D. G. MARBLE, C.B.E., General Manager

A. N. H. JAMES, Assistant General Manager

N. C. TOMPKINS, Assistant General Manager — British Columbia

L. F. MUNDY, Secretary

P. D. SMITH, Deputy Secretary

A. M. SWAN, Administrative Assistant

H. M. SCOTT, Chief, Legal Department

W. L. MUNDY, Chief, Insurance Department

G. R. ELLIOTT, Chief, Branch Credits Department

C. I. STUART, Deputy Secretary

L. VIAU, Deputy Secretary

E. FRICKER, Chief Accountant

GENERAL MANAGER'S OFFICE, 901 Victoria Square, Montreal, Que.

## ATLANTIC PROVINCES

H. R. STOKER, Supervisor, 65 Spring Garden Road, Halifax, N.S.

## ONTARIO

W. C. STUART, Supervisor, 85 Richmond St. W., Toronto, Ont.

## MANITOBA & SASKATCHEWAN

E. R. CLARK, Supervisor, 195 Portage Ave. E., Winnipeg, Man.

## ALBERTA, YUKON & NORTHWEST TERRITORIES

F. M. AYKROYD, Supervisor, 513 Eighth Ave. W., Calgary, Alta.

## BRITISH COLUMBIA

N. C. TOMPKINS, Assistant General Manager,  
1030 West Georgia St., Vancouver, B.C.







CAI  
FN130

-R27

Industrial Development Bank

Annual report to the Minister of  
Finance ...

1957/58

Government  
Publications

INDUSTRIAL DEVELOPMENT BANK

*idb*

***Report of the President  
and statement of accounts***

***Fiscal Year 1958***

1957/58





*“Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises . . .”*

—Preamble to the Industrial Development Bank Act





# INDUSTRIAL DEVELOPMENT BANK

Ottawa, December 9th, 1958

The Hon. Donald M. Fleming, Q.C.,  
Minister of Finance,  
Ottawa, Ontario

*Dear Sir,*

*In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1958, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.*

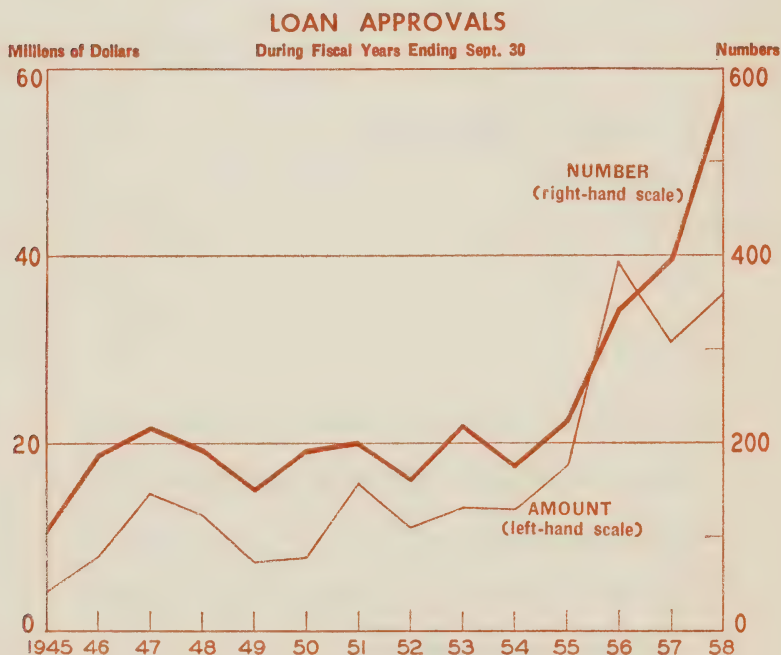
*Yours very truly,*

J. E. Coyne,  
*President.*

# INDUSTRIAL DEVELOPMENT BANK

## Report of the President—1958

During the fiscal year ending September 30, 1958, the Industrial Development Bank made 564 new loans totalling \$35.8 million. This represented an increase from the preceding year of 42% in number and 17% in dollar amount. The growth in the Bank's lending operations over the fourteen years of its existence is shown

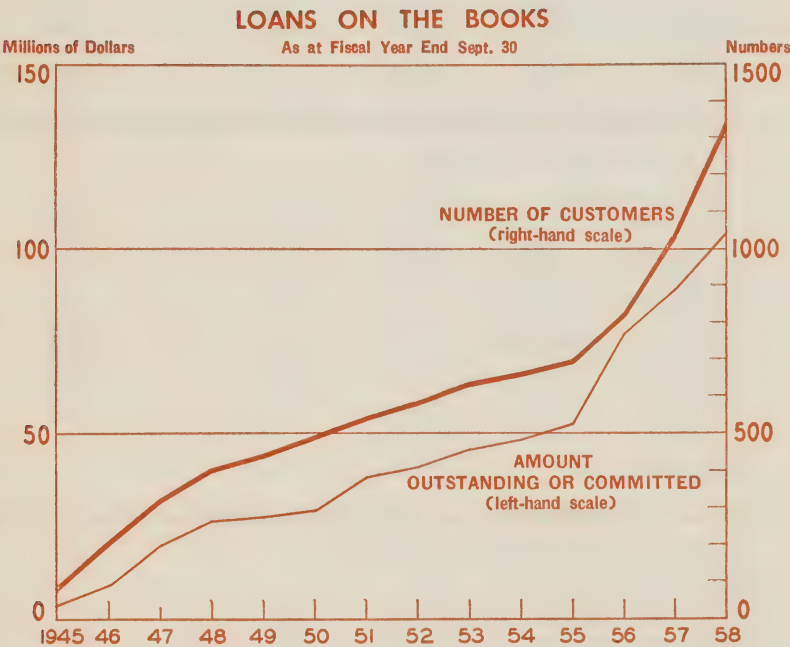


in the chart above, and detailed comparisons and classifications of the number and amount of loan approvals by size, by province and by industry are provided in tabular form on pages 6 to 9.

In June 1958 the total of the Bank's funds outstanding plus undisbursed commitments crossed the \$100 million level for the first time. While this amount is not large in relation to the total of credit outstanding in Canada it will be recalled that the Industrial

Development Bank was established by Parliament to supplement the activities of other lenders in the field of capital assistance, particularly to small enterprises. The continued growth of I.D.B. operations indicates there is in fact still a considerable field for medium term lending which falls between financing in the securities market or on conventional real estate mortgages on the one hand, and normal chartered bank loans on the other.

As will be seen from the table on pages 8 and 9, a large part of the increase in I.D.B. loan approvals in the past year related



to firms in the food and beverage industries, where growth has been particularly strong and little affected by the recession. The same table shows that there was also a considerable increase of loan approvals in the categories of enterprises which were first brought within the scope of Industrial Development Bank lending by the 1956 amendments to the Act.

# LOAN A DURING FISCAL Y

	NUMBER	
	1955	1956
<b>CLASSIFICATION BY NEW OR EXISTING BORROWERS</b>		
<i>To new borrowers</i> .....	145	233
<i>To existing borrowers</i> .....	76	109
<i>Total</i> .....	221	342

## CLASSIFICATION BY SIZE

<i>\$5,000 or less</i> .....	7	5
<i>Over 5,000 to 25,000</i> .....	75	117
<i>Over 25,000 to 50,000</i> .....	53	83
<i>Over 50,000 to 100,000</i> .....	44	73
<i>Over 100,000 to 200,000</i> .....	24	32
<i>Total up to \$200,000</i> .....	203	310
<i>Over 200,000</i> .....	18	32
<i>Total</i> .....	221	342

*Average size* .....

## CLASSIFICATION BY PROVINCE

<i>Newfoundland</i> .....	..	2
<i>Prince Edward Island</i> .....	..	5
<i>Nova Scotia</i> .....	4	7
<i>New Brunswick</i> .....	7	8
<i>Quebec</i> .....	71	94
<i>Ontario</i> .....	61	116
<i>Manitoba</i> .....	13	21
<i>Saskatchewan</i> .....	6	1
<i>Alberta</i> .....	13	25
<i>British Columbia</i> .....	45	61
<i>Yukon &amp; N. W. Territories</i> .....	1	2
<i>Total</i> .....	221	342

*Revised\**



# ROYALS

ENDING SEPT. 30

		AMOUNT (\$000)			
<u>1957</u>	<u>1958</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
312	421	12,740	29,364	25,250	26,509
84	143	4,882	9,939	5,423	9,333
<u>396</u>	<u>564</u>	<u>17,622</u>	<u>39,303</u>	<u>30,673</u>	<u>35,842</u>

6	12	24	21	26	34
144	222	1,236	1,924	2,410	3,621
92	128	1,962	3,123	3,629	5,010
88	122	3,242	5,525	6,551	9,086
36	44	3,498	4,820	5,534	6,408
<u>366</u>	<u>528</u>	<u>9,962</u>	<u>15,413</u>	<u>18,150</u>	<u>24,159</u>
30	36	7,660	23,890	12,523	11,683
<u>396</u>	<u>564</u>	<u>17,622</u>	<u>39,303</u>	<u>30,673</u>	<u>35,842</u>
..... 80*		115*	77*	64	

2	2	....	75	255	31
1	..	....	5,498	10	....
15	27	255	401	1,060	1,235
20	24	207	1,346	1,237	1,399
97	147	5,360	11,974	7,260	10,479
123	169	5,663	9,128	8,995	10,629
19	41	790	2,505	1,343	2,114
7	10	477	11	858	973
31	55	444	2,232	1,671	2,554
79	88	4,346	6,032	7,397	6,178
2	1	80	101	587	250
<u>396</u>	<u>564</u>	<u>17,622</u>	<u>39,303</u>	<u>30,673</u>	<u>35,842</u>

# INDUSTRIAL CLASSIFICATION DURING FISCAL

	NUMBER	
	1955	1956
1. <i>Foods and Beverages</i> .....	26	45
2. <i>Tobacco and Tobacco Products</i> .....	..	..
3. <i>Rubber Products</i> .....	1	1
4. <i>Leather Products</i> .....	1	4
5. <i>Textile Products (except clothing)</i> .....	10	14
6. <i>Clothing (Textiles and Fur)</i> .....	9	15
7. <i>Wood Products</i> .....	39	53
8. <i>Paper Products (including Pulp)</i> .....	4	8
9. <i>Printing and Allied Industries</i> .....	10	16
10. <i>Iron and Steel Products</i> <i>(including Machinery and Equipment)</i> .....	24	52
11. <i>Transportation Equipment</i> .....	8	10
12. <i>Non-Ferrous Metal Products</i> .....	8	12
13. <i>Electrical Apparatus &amp; Supplies</i> .....	8	17
14. <i>Non-Metallic Mineral Products</i> .....	31	25
15. <i>Products of Petroleum &amp; Coal</i> .....	6	6
16. <i>Chemical Products</i> .....	8	12
17. <i>Miscellaneous Manufacturing Industries</i> .....	8	8
18. <i>Commercial Air Services</i> .....	13	17
19. <i>Warehousing (including Refrigeration)</i> .....	7	6
20. <i>Other Transportation &amp; Storage</i> .....	..	3
21. <i>Generating &amp; Distributing of Electricity</i> .....	..	..
22. <i>Operating a Mine or Quarry</i> .....	..	3
23. <i>Construction</i> .....	..	4
24. <i>Industrial Buildings</i> .....	..	7
25. <i>Industrial and Technical Services</i> .....	..	4
26. <i>Forestry</i> .....	..	..
	<u>221</u>	<u>342</u>

# ON OF LOAN APPROVALS RS ENDING SEPT. 30

		AMOUNT (\$000)			
<u>1957</u>	<u>1958</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
45	94	1,501	3,010	2,577	6,854
..	2	....	....	....	200
1	2	85	45	25	90
1	3	25	176	10	44
10	17	1,126	775	895	1,737
17	16	453	1,109	438	610
63	70	2,165	4,619	4,194	4,982
7	10	236	2,075	580	514
14	21	398	611	386	1,598
55	62	1,689	3,498	3,693	3,522
12	18	518	2,370	354	794
11	6	557	503	3,232	147
10	12	508	1,390	772	832
28	36	3,451	1,800	2,083	3,451
..	1	893	630	19	2
10	14	311	449	569	1,205
14	8	680	245	601	319
13	8	2,315	11,416	3,764	155
6	11	711	1,063	1,236	886
17	27	....	280	1,076	1,248
1	..	....	....	80	....
3	12	....	2,101	525	1,499
11	28	....	285	905	991
31	54	....	353	2,045	2,929
16	31	....	500	614	1,183
..	1	....	....	....	50
<u>396</u>	<u>564</u>	<u>17,622</u>	<u>39,303</u>	<u>30,673</u>	<u>35,842</u>

The main features of the Bank's financial operations in 1958 and the three preceding fiscal years are summarized in the following table:—

# SUMMARY STATISTICS OF LOANS, INVESTMENTS AND GUARANTEES

for fiscal years ending Sept. 30

	1955	1956	1957	1958
<i>Disbursements during year (\$ million)</i> .....	12.7	20.2	32.4	31.4
<i>Repayments during year (\$ million)</i> .....	10.8	12.1	12.7	14.2
<i>Amounts written off during year (\$ million)</i> .....	—	—	.1	.1
<i>Amounts outstanding at year-end (\$ million)</i> .....	44.1	52.2	71.8	88.9
<i>Liability under guarantees at year-end (\$ million)</i> .....	1.3	.1	.1	—
<i>Amounts not yet disbursed on loans authorized, at year-end (\$ million)</i> .....	7.2	24.6	16.6	15.5
<i>Amounts outstanding or committed at year-end (\$ million)</i> .....	52.6	76.9	88.5	104.4
<i>Number of customers on the books at year-end</i> .....	694	821	1,028	1,326
<i>Average amount outstanding or committed per customer (\$ thousand)</i> .....	76	94	86	79

Over the fourteen years of the Bank's existence it has authorized 3,313 loans for 2,434 businesses in a total amount of \$230.5 million. Of these credits 367 to 341 businesses were not taken up and these cancellations and reductions in other credits made as a result of changes in applicants' plans totalled \$35.4 million, so that net authorizations of \$195.1 million to 2,093 businesses were actually utilized. Accounts which have been paid off in full number 746, with a total amount of \$48.2 million. Outstanding balances totalling \$0.5 million were written off in 19 accounts and 2 cases totalling \$0.1 million are carried under "Property Held for Sale". As a result, at Sept. 30, 1958 the Bank had on its books authorizations for 1,326 businesses. The original amount of these authorizations aggregated \$146.3 million. Up to Sept. 30, 1958 a total of \$41.9 million had been repaid on these authorizations and \$15.5 million had not yet been disbursed, so that amounts outstanding aggregated \$88.9 million and the total of amounts outstanding or committed was \$104.4 million.



Of the \$104.4 million which the Bank had outstanding or committed at Sept. 30, 1958 to 1,326 customers, 92% by number was in accounts of \$200,000 or less. The total of accounts for which an amount in excess of \$200,000 was outstanding or committed was \$49.6 million at Sept. 30, 1958 as compared with \$45.9 million a year before. The statutory limit on the total of accounts with amounts outstanding in excess of \$200,000 is \$75 million.

The following table shows the provincial distribution of the loans which are now on the Bank's books and also of the total of authorizations made since operations commenced on November 1, 1944.

### PROVINCIAL DISTRIBUTION OF LOANS, INVESTMENTS & GUARANTEES

	Accounts on books at Sept. 30, 1958		Total Authorizations Nov. 1, 1944 to Sept. 30, 1958	
	Number of Businesses	Amounts	Number of Businesses	Amount
		Outstanding or Committed		
		(\$000)		(\$000)
<i>Newfoundland.....</i>	5	215	8	1,331
<i>P.E.I.....</i>	9	3,330	11	5,620
<i>Nova Scotia.....</i>	43	2,452	71	4,645
<i>New Brunswick.....</i>	52	2,060	94	6,847
<i>Quebec.....</i>	362	32,367	698	75,098
<i>Ontario.....</i>	429	32,989	775	65,127
<i>Manitoba.....</i>	86	5,226	173	10,808
<i>Saskatchewan.....</i>	24	1,463	51	6,275
<i>Alberta.....</i>	105	6,061	165	14,952
<i>British Columbia....</i>	209	17,472	385	38,606
<i>Yukon &amp; N.W.T....</i>	2	751	3	1,164
	<u>1,326</u>	<u>104,386</u>	<u>2,434</u>	<u>230,473</u>

The profit and loss statement, which is shown in detail on page 16, is summarized below:—

	Fiscal Years ending Sept. 30		
	1958	1957	Change
<i>Income.....</i>	<i>\$4,663,000</i>	<i>\$3,601,000</i>	<i>+ \$1,062,000</i>
<i>Less:</i>			
<i>Operating expenses . .</i>	<i>1,241,000</i>	<i>1,094,000</i>	<i>+ 147,000</i>
<i>Interest on debentures</i>	<i>1,524,000</i>	<i>920,000</i>	<i>+ 604,000</i>
<i>Provision for bad and</i>			
<i>doubtful debts . . . . .</i>	<i>663,000</i>	<i>253,000</i>	<i>+ 410,000</i>
	<u><i>\$3,428,000</i></u>	<u><i>\$2,267,000</i></u>	<u><i>+ \$1,161,000</i></u>
<i>Profits transferred to</i>			
<i>Reserve Fund.....</i>	<u><i>\$1,235,000</i></u>	<u><i>\$1,334,000</i></u>	<u><i>—\$ 99,000</i></u>

Profit before provision for bad and doubtful debts was \$1,898,000 as compared with \$1,587,000 during fiscal 1957. Bad debts aggregating \$63,000 in excess of recoveries were written off during the year from Reserve for Losses and \$663,000 was transferred to this Reserve raising it to \$1,700,000. In accordance with the provisions of the I.D.B. Act the balance of profit, viz:—\$1,235,000, was transferred to the Reserve Fund which now stands at \$11,275,000. Profit after provision for bad and doubtful debts was at the rate of 3.3% of the average amount of capital and reserves outstanding during the year, as compared with 3.8% in fiscal 1957.

The net increase of \$600,000 in the Reserve for Losses was made following the annual assessment of the Bank's exposure to losses by the management and by the auditors. The total of \$1,700,000 in this special reserve to provide for possible future losses on loans now on the books amounts to 1.63% of the \$104.4 million of such loans outstanding or committed. It has been built up out of revenue earned on such loans and earlier loans. Actual losses realized to date plus the reserve for possible future losses amount to 1.11% of the \$195.1 million total loans taken up by borrowers.

While the Industrial Development Bank makes loans only to enterprises which it expects will operate successfully and at a profit sufficient to enable the loans to be repaid in accordance with their terms, it is important for the accomplishment of its purpose that the Bank should not be governed by an excess of caution—otherwise the development of many industrial enterprises having good earning potential would not be encouraged as contemplated by Parliament. The Bank was established to operate in a field of lending in which there are special problems such as the high cost of investigation and supervision, the length of time for which borrowed funds are needed and the difficulty of appraising the risks involved and it is inevitable that some losses will be experienced. To hold losses to reasonable proportions each application must be carefully assessed as to security, earning power, production methods, market prospects and, very importantly, the quality of the applicant's management. Many accounts also require a considerable degree of supervision after the loan has been made, particularly during their earlier years on the Bank's books.

The work of investigation, assessment, supervision and advice carried on by the Bank necessarily involves relatively high costs of operation, although the Bank is constantly endeavouring to hold such costs to a minimum. The cost-ratio has declined and operations have become more efficient as total outstanding loans have grown and enabled necessary overhead expenses to be spread over a greater volume of business, and as experience and training have been acquired in a highly specialized field of lending. From fiscal 1955 to fiscal 1958 the staff of the Bank increased by 60% while the number of accounts on the books increased by 90% and the number of new loan approvals per annum increased by 160%. This record speaks well for the ability and industry of the staff which at the year-end numbered 89 men and 73 women in our six offices across Canada.

Despite the difficulties, expenses and risks which are characteristic of its allotted field of lending, the record of the Industrial Development Bank to date has demonstrated that a worthwhile contribution towards filling a gap in our financial structure is being made on a basis which earns a moderate return on invested funds.

# INDUSTRIAL DE

## STATEMENT OF ASSETS AND LI

(with comparative figu

### ASSETS:

	1958	1957
Cash on hand and deposits with other banks.....\$	121,900	\$ 349,635
Loans and investments.. \$88,843,286		
Accrued interest..... 435,544	89,278,830	72,347,798
Property held for sale (including agree-ments for sale).....	135,193	169,944
Guarantees and underwriting agree-ments (as per contra).....	21,089	56,031
Other assets (including unamortized de-benture discount and premium pay-ments 1958—\$733,618; 1957—\$817,517).....	822,945	862,869
	<u>\$90,379,957</u>	<u>\$73,786,277</u>

J. E. COYNE

*President*

# OPMENT BANK

ITIES AS AT SEPTEMBER 30, 1958

ptember 30, 1957)

## LIABILITIES:

Capital—	1958	1957
Authorized, issued and paid up 250,000 shares par value \$100 each..	\$25,000,000	\$25,000,000
Reserve fund.....	11,275,405	10,040,624
Reserve for losses.....	1,700,000	1,100,000
Bonds and debentures outstanding..... \$51,000,000		
Accrued interest .....	799,625	51,799,625
		36,032,500
Liabilities under guarantees and under- writing agreements.....	21,089	56,031
Other liabilities (including insurance proceeds awaiting disposition 1958— \$143,121; 1957—\$1,144,668 .....	583,838	1,557,122
	<u>\$90,379,957</u>	<u>\$73,786,277</u>

E. FRICKER

Chief Accountant

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1958 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the Bank at September 30, 1958, according to the best of our information and as shown by the books of the Bank.

G. A. ADAMSON, F.C.A.  
of Clarkson, Gordon & Co.

ROSAIRE COURTOIS, C.A.  
of Courtois, Fredette & Cie.

Ottawa, November 7, 1958.



# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 1958  
(with comparative figures for the year ended September 30, 1957)

INCOME:	1958	1957
On loans, investments and guarantees.....	\$ 4,521,589	\$ 3,488,451
Sundry.....	141,522	113,020
	<u>\$ 4,663,111</u>	<u>\$ 3,601,471</u>
EXPENSES:		
Salaries.....	\$ 830,564	\$ 717,898
Pension fund, unemployment insurance and group insurance.....	111,070	93,431
Investigation and supervision expenses.....	26,433	23,224
Travelling expenses.....	16,333	31,562
Rental and other costs—leased premises ...	122,513	108,544
Depreciation on equipment.....	14,164	11,571
Telephone and telegrams.....	22,598	20,220
Office supplies and expenses.....	25,224	23,079
Directors' fees.....	6,800	6,050
Auditors' fees and expenses.....	10,745	11,515
All other operating expenses.....	54,204	46,733
Total operating expenses.....	<u>\$ 1,240,648</u>	<u>\$ 1,093,827</u>
Interest on debentures (including amortization of discount and premium).....	1,524,288	919,972
Provision for bad and doubtful debts.....	663,394	253,517
	<u>\$ 3,428,330</u>	<u>\$ 2,267,316</u>
Profits transferred to reserve fund.....	<u>\$ 1,234,781</u>	<u>\$ 1,334,155</u>
RESERVE FOR LOSSES		
Balance, September 30, 1957.....		\$ 1,100,000
Add:		
Recovery of debts previously written off..	\$ 3,539	
Provision for bad and doubtful debts for the year ended September 30, 1958.....	663,394	666,933
		<u>\$ 1,766,933</u>
Less bad debts written off.....		66,933
Balance, September 30, 1958.....		<u>\$ 1,700,000</u>
RESERVE FUND		
Balance, September 30, 1957.....		\$10,040,624
Profits for year ended September 30, 1958		1,234,781
		<u>\$11,275,405</u>

## BOARD OF DIRECTORS

J. E. COYNE	OTTAWA <i>President</i>
J. R. BEATTIE	OTTAWA <i>Member of the Executive Committee</i>
J. T. BRYDEN	TORONTO
F. FIELD, F.C.A.	VANCOUVER
N. A. HESLER	SACKVILLE, N.B.
C. BRUCE HILL	ST. CATHARINES, ONT.
W. A. JOHNSTON, Q.C.	WINNIPEG
R. H. MILLIKEN, Q.C.	REGINA
J. H. MOWBRAY JONES	LIVERPOOL, N.S.
L. PATRICK	CALGARY
A. C. PICARD	QUEBEC <i>Member of the Executive Committee</i>
H. A. RUSSELL	ST. JOHN'S, NFLD.
A. SAMOISSETTE, O.B.E.	MONTREAL
A. A. SCALES	CHARLOTTETOWN
K. W. TAYLOR, C.B.E.	OTTAWA <i>Member of the Executive Committee</i>

## OFFICERS

J. E. COYNE	<i>PRESIDENT</i>
D. G. MARBLE, C.B.E.	<i>GENERAL MANAGER</i>
A. N. H. JAMES	<i>ASSISTANT GENERAL MANAGER</i>
L. F. MUNDY	<i>SECRETARY</i>
H. J. C. RUSSELL	<i>ADMINISTRATIVE ASSISTANT</i>
H. M. SCOTT	<i>CHIEF, LEGAL DEPARTMENT</i>
W. L. MUNDY	<i>CHIEF, INSURANCE DEPARTMENT</i>
G. R. ELLIOTT	<i>CHIEF, BRANCH CREDITS DEPARTMENT</i>
P. D. SMITH	<i>DEPUTY SECRETARY</i>
C. I. STUART	<i>DEPUTY SECRETARY</i>
L. VIAU	<i>DEPUTY SECRETARY</i>
E. FRICKER	<i>CHIEF ACCOUNTANT</i>

## REGIONAL OFFICERS

N. C. TOMPKINS	<i>ASSISTANT GENERAL MANAGER, BRITISH COLUMBIA</i>
C. E. DeATHE	<i>ASSISTANT SUPERVISOR BRITISH COLUMBIA</i>
F. M. AYKROYD	<i>SUPERVISOR, ALBERTA, YUKON, NORTHWEST TERRITORIES</i>
E. R. CLARK	<i>SUPERVISOR, MANITOBA, SASKATCHEWAN</i>
W. C. STUART	<i>SUPERVISOR, ONTARIO</i>
E. A. BELL	<i>ASSISTANT SUPERVISOR, ONTARIO</i>
H. R. STOKER	<i>SUPERVISOR, ATLANTIC PROVINCES</i>

# INDUSTRIAL DEVELOPMENT BANK

## OFFICES

BRITISH COLUMBIA    *1030 WEST GEORGIA ST.,  
VANCOUVER, B.C.  
TELEPHONE: MU 1-7484*

ALBERTA, YUKON,  
NORTHWEST TERRITORIES    *513 EIGHTH AVE. WEST,  
CALGARY, ALTA.  
TELEPHONE: AM 9-6981*

MANITOBA, SASKATCHEWAN    *195 PORTAGE AVE. EAST,  
WINNIPEG, MAN.  
TELEPHONE: WH 2-8978*

ONTARIO    *250 UNIVERSITY AVE.,  
TORONTO, ONT.  
TELEPHONE: EM 8-1171*

QUEBEC    *901 VICTORIA SQUARE,  
MONTREAL, QUE.  
(GENERAL MANAGER'S OFFICE)  
TELEPHONE: UN 6-2701*

ATLANTIC PROVINCES    *65 SPRING GARDEN ROAD  
HALIFAX, N.S.  
TELEPHONE: 2-7444*









CAI

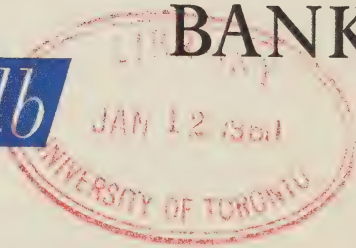
FN130

- R27

Government  
Publications

# INDUSTRIAL DEVELOPMENT BANK

*idb*



Annual report (REPORT OF THE PRESIDENT  
to the Minister of Finance)  
AND STATEMENT OF ACCOUNTS

FISCAL YEAR 1959



*“Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises . . . ”*

—Preamble to the Industrial Development Bank Act



# INDUSTRIAL DEVELOPMENT BANK

Ottawa, December 9th, 1959

The Hon. Donald M. Fleming, Q.C.,  
Minister of Finance,  
Ottawa, Ontario

*Dear Sir,*

*In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1959, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.*

*Yours very truly,*

J. E. Coyne,  
*President.*

# INDUSTRIAL DEVELOPMENT BANK

## Report of the President—1959

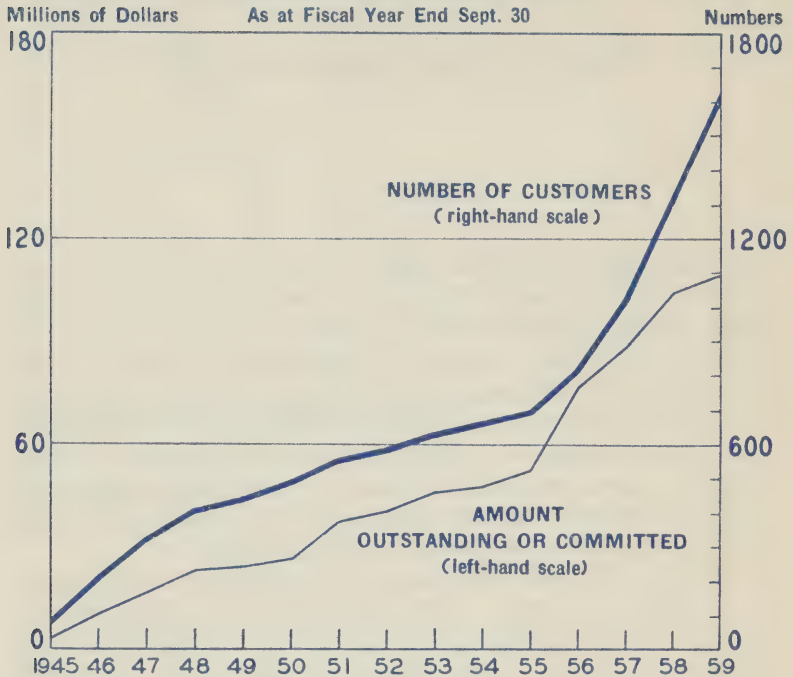
The Industrial Development Bank has now been in operation for a period of fifteen years. During this time, it has approved 3,955 loans in a total amount of \$260.6 million. In the fiscal year ended September 30, 1959 the number of loans made was 599 for a total amount of \$30.6 million. At September 30, 1959 the Bank had 2,030 loan accounts on its books for 1,609 industrial enterprises. The original amount of the authorizations in respect of these accounts aggregated \$166.9 million, on which the amounts outstanding were \$96.7 million and the total of amounts outstanding plus amounts not yet disbursed was \$109.1 million.

Of the loans which the Bank had outstanding or committed at September 30, 1959 to 1,609 customers, 43% by number were for amounts of \$25,000 or less and 93% by number were for amounts of \$200,000 or less. The total of loan accounts for which an amount not exceeding \$200,000 was outstanding or committed was \$65.0 million at September 30, 1959 and the total outstanding or committed for loans in excess of \$200,000 was \$44.1 million. The statutory limit on the total of accounts with amounts outstanding in excess of \$200,000 is \$75 million.

The I.D.B. was established to fill a gap in the financial structure—to make term loans to industrial enterprises which because of their small size, or their lack of a sufficiently long earnings record, or complications in respect of the security they could offer, or for other special reasons, could not obtain term financing from other sources on reasonable terms and conditions. On the basis of the Bank's experience to date there appears to be a continuing demand from industrial enterprises for term lending of this type.

Over the past four years, the number of loans made to new borrowers per year has tripled. In part this results from the 1956 revision of the I.D.B. Act which made additional categories of

## LOANS ON THE BOOKS



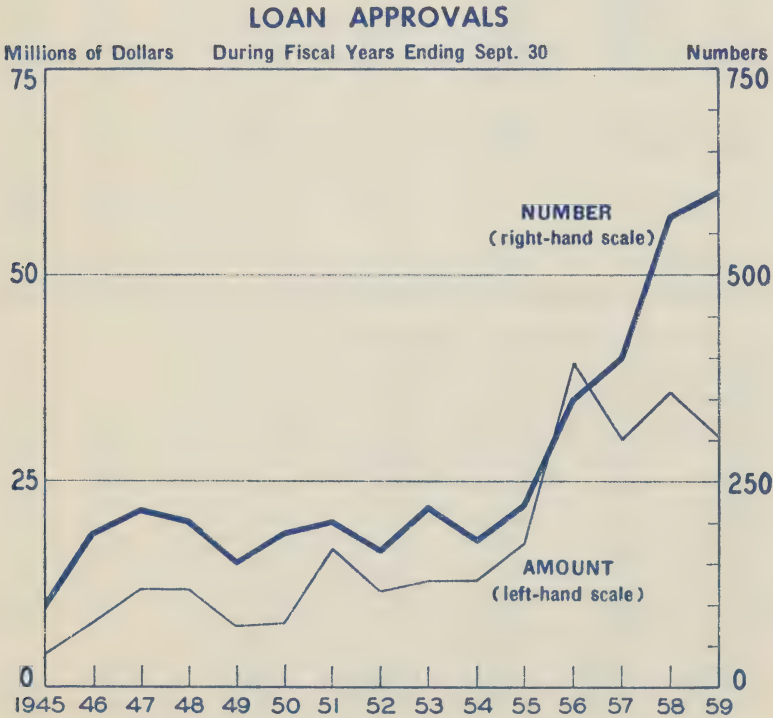
industry eligible under the Act; as will be seen from the table on pages 8 and 9 the expansion of lending is particularly noticeable in newly eligible categories such as transportation and storage, construction, and industrial and technical services. The Bank's rate of lending has also increased among a wide variety of other industries mainly because of a growing awareness in the business community of the facilities which the Bank can offer.

The Bank's procedures and criteria for making loans are open to modification from time to time in the light of operating experience, but two basic principles stand unchanged and indeed re-emphasized by experience. One is the necessity of adequate management capabilities in the applicant business as a condition for making a fruitful loan, that is, one which will be of benefit to the borrower and be repaid within a reasonable period. The other is the importance of the amount and character of the principal's own investment in the business. It would confer only an illusory

and temporary benefit on any borrower to make a loan where these two major requirements for success are not adequately met.

At the beginning of the fiscal year ending September 30, 1959 the rate of loan applications and approvals was showing a tendency to decline. This proved to be a temporary condition and for the year as a whole the number of new loans was slightly higher than in the previous fiscal year. The new fiscal year ending September 30, 1960 has started on a rising trend and at a substantially higher level than a year ago.

The number of new loans made in the fiscal year 1959 was 599 as compared with 571 in the previous fiscal year. The total amount authorized for new loans was \$30.6 million as compared with \$35.9 million and the average amount authorized per new loan was \$51,000 as compared with \$63,000. There were 56 more loans in categories up to \$50,000 and 28 fewer loans for amounts over \$50,000. (See Table on pages 6 and 7).



# LOAN A DURING FISCAL YEAR

CLASSIFICATION BY NEW OR EXISTING BORROWERS	NUMBER		
	1955	1956	1957
<i>To New Borrowers.....</i>	145	232	308
<i>To Existing Borrowers.....</i>	76	117	93
<i>Total.....</i>	<u>221</u>	<u>349</u>	<u>401</u>

## CLASSIFICATION BY SIZE

<i>\$5,000 or less.....</i>	9	13	13
<i>Over 5,000 to 25,000.....</i>	76	119	143
<i>Over 25,000 to 50,000.....</i>	52	80	92
<i>Over 50,000 to 100,000.....</i>	42	72	88
<i>Over 100,000 to 200,000.....</i>	24	32	36
<i>Total up to \$200,000.....</i>	203	316	372
<i>Over 200,000.....</i>	18	33	29
<i>Total.....</i>	<u>221</u>	<u>349</u>	<u>401</u>

*Average size.....*

## CLASSIFICATION BY PROVINCE

<i>Newfoundland.....</i>	..	2	2
<i>Prince Edward Island.....</i>	..	5	1
<i>Nova Scotia.....</i>	4	7	15
<i>New Brunswick.....</i>	7	8	20
<i>Quebec.....</i>	71	96	98
<i>Ontario.....</i>	61	121	129
<i>Manitoba.....</i>	14	22	19
<i>Saskatchewan.....</i>	6	1	7
<i>Alberta.....</i>	14	25	28
<i>British Columbia.....</i>	43	60	80
<i>Yukon and N. W. Territories.....</i>	1	2	2
<i>Total.....</i>	<u>221</u>	<u>349</u>	<u>401</u>



# ROYALS

## ENDING SEPTEMBER 30

		AMOUNT (\$000)				
1958	1959	1955	1956	1957	1958	1959
420	438	12,739	29,264	25,210	26,686	24,150
151	161	4,723	10,095	4,901	9,255	6,429
571	599	17,462	39,359	30,111	35,941	30,579
20	31	20	31	31	52	105
223	242	1,239	1,971	2,392	3,662	3,911
127	153	1,892	3,014	3,599	4,947	5,939
121	112	3,184	5,425	6,582	9,047	8,406
46	43	3,498	4,820	5,526	6,808	6,293
537	581	9,833	15,261	18,130	24,516	24,654
34	18	7,629	24,098	11,981	11,425	5,925
571	599	17,462	39,359	30,111	35,941	30,579
.....		79	113	75	63	51
2	7	....	75	255	31	236
..	5	....	5,497	10	....	171
28	33	252	393	1,060	1,235	1,369
24	26	206	1,344	1,236	1,399	751
147	140	5,246	11,903	7,140	10,449	7,585
169	193	5,638	9,118	9,079	10,473	9,862
42	32	790	2,504	1,344	2,050	2,065
11	19	465	11	858	1,019	978
57	55	694	2,232	1,621	2,784	2,735
90	87	4,091	6,181	6,933	6,251	4,752
1	2	80	101	575	250	75
571	599	17,462	39,359	30,111	35,941	30,579

# INDUSTRIAL CLASSIFICATION DURING FISCAL YEAR

	NUMBER		
	1955	1956	1957
<i>Foods and Beverages</i> .....	26	45	49
<i>Tobacco and Tobacco Products</i> .....	..	..	..
<i>Rubber Products</i> .....	1	1	1
<i>Leather Products</i> .....	1	4	1
<i>Textile Products (except Clothing)</i> .....	8	14	12
<i>Clothing (Textiles and Fur)</i> .....	11	17	17
<i>Wood Products</i> .....	38	53	69
<i>Paper Products (including Pulp)</i> .....	4	9	5
<i>Printing and Allied Industries</i> .....	10	17	14
<i>Iron and Steel Products</i> <i>(including Machinery and Equipment)</i> .....	27	58	61
<i>Transportation Equipment</i> .....	9	5	10
<i>Non-Ferrous Metal Products</i> .....	7	13	10
<i>Electrical Apparatus and Supplies</i> .....	7	19	13
<i>Non-Metallic Mineral Products</i> .....	32	26	26
<i>Products of Petroleum and Coal</i> .....	6	6	1
<i>Chemical Products</i> .....	8	12	12
<i>Miscellaneous Manufacturing Industries</i> .....	8	8	17
<i>Commercial Air Services</i> .....	11	17	13
<i>Warehousing (including Refrigeration)</i> .....	7	6	10
<i>Other Transportation and Storage</i> .....	..	3	18
<i>Operating a Mine or Quarry</i> .....	..	2	3
<i>Construction</i> .....	..	4	12
<i>Industrial Buildings</i> .....	..	2	6
<i>Industrial and Technical Services</i> .....	..	8	21
<i>Forestry</i> .....	..	..	..
	<u>221</u>	<u>349</u>	<u>401</u>

# ON OF LOAN APPROVALS

## ENDING SEPTEMBER 30

AMOUNT (\$000)

1958	1959	1955	1956	1957	1958	1959
97	82	1,466	2,988	2,767	7,016	4,340
2	..	....	....	....	200	....
2	1	85	45	25	90	23
4	5	25	176	10	82	246
18	13	837	769	1,014	1,726	621
20	33	732	1,107	428	737	1,707
72	74	2,130	4,737	4,535	5,207	4,777
11	6	236	2,107	530	574	171
20	26	398	641	386	1,475	1,194
67	73	1,685	3,323	3,875	3,792	3,139
25	22	518	1,915	319	1,070	792
6	20	557	504	2,730	147	1,129
14	12	453	1,618	848	909	546
38	34	3,449	1,822	2,037	3,503	1,497
1	3	893	630	22	20	169
18	20	311	449	638	1,362	716
13	17	680	257	724	366	1,108
8	13	2,313	11,406	3,742	158	891
12	6	694	1,062	1,407	931	478
30	41	....	280	1,055	1,353	1,775
12	5	....	2,100	525	1,493	346
32	33	....	285	983	1,027	2,095
21	12	....	199	714	1,582	884
27	48	....	939	797	1,071	1,935
1	..	....	....	....	50	..:
571	599	17,462	39,359	30,111	35,941	30,579

The following table shows the provincial distribution of the loans which are now on the Bank's books and also the total of authorizations made since operations commenced in 1944.

### PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1959		Total Authorizations Nov. 1, 1944 to Sept. 30, 1959	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
<i>Newfoundland.....</i>	10	345	14	1,566
<i>P.E.I.....</i>	12	2,644	14	5,791
<i>Nova Scotia.....</i>	66	3,026	97	5,773
<i>New Brunswick.....</i>	63	2,347	114	7,496
<i>Quebec.....</i>	414	32,576	791	82,505
<i>Ontario.....</i>	534	35,098	927	75,096
<i>Manitoba.....</i>	97	6,261	185	12,708
<i>Saskatchewan.....</i>	37	2,139	70	8,153
<i>Alberta.....</i>	137	7,548	211	18,021
<i>British Columbia ..</i>	235	16,407	437	42,160
<i>Yukon &amp; N.W.T....</i>	4	757	6	1,287
<i>Total.....</i>	<u>1,609</u>	<u>109,148</u>	<u>2,866</u>	<u>260,556</u>

The amount of loan funds actually drawn down by borrowers during the year was \$29.3 million while repayments were \$20.4 million and \$0.8 million was written off, so that the total amount of loans outstanding rose by \$8.1 million during the year from \$88.6 million to \$96.7 million. The rise in loan repayments year by year makes it possible for an increasing volume of new loans to be made without adding commensurately to the total amount outstanding.

Amounts outstanding plus loans committed but as yet undisbursed rose from \$104.1 million at September 30, 1958 to \$109.1 million at September 30, 1959. The latter amount represented a total of 2,030 loans now current to 1,609 business customers, a doubling of the number of customers in the past three years.

The main features of the Bank's financial operations in 1959 and the four preceding fiscal years are summarized in the following table:

### SUMMARY STATISTICS OF LOANS

For Fiscal Years Ending September 30

	1955	1956	1957	1958	1959
<i>Amounts Drawn Down by Borrowers (Millions of Dollars).....</i>	12.6	20.1	32.6	31.1	29.3
<i>Repayments by Borrowers (Millions of Dollars)....</i>	10.7	12.0	12.8	14.1	20.4
<i>Amounts Written Off (Millions of Dollars).....</i>	..	..	.1	.1	.8
<i>Increase in Amounts Outstanding (Millions of Dollars).....</i>	1.9	8.1	19.7	16.9	8.1
<i>Amounts Outstanding at Year-End (Millions of Dollars).....</i>	43.9	52.0	71.7	88.6	96.7
<i>Amounts Not Yet Disbursed on Loans Authorized at Year-End (Millions of Dollars).....</i>	8.3	24.7	16.4	15.5	12.4
<i>Amounts Outstanding Plus Undisbursed at Year-End (Millions of Dollars)....</i>	52.2	76.7	88.1	104.1	109.1
<i>Number of Customers on the Books at Year-End .....</i>	692	819	1,021	1,321	1,609
<i>Average Amount Outstanding Plus Undisbursed per Customer (Thousands of Dollars).....</i>	75	94	86	79	68

Four new regional offices were opened by the Bank during the past year, at Saint John, N.B.; Quebec, Que.; London, Ont.; and Regina, Sask. In addition, a Montreal office was established as a separate administrative unit. Previously, the operations of the Bank in the Montreal area had been under the direct supervision of the General Manager's Office in that city.

The Bank's lending rate, which had been 6½ per cent from September 1956 to November 1957 and 6 per cent since then, was raised to 6½ per cent in March 1959 and to 7 per cent in September 1959. These increases were made because of the substantial rise in interest costs paid by the Bank on new and refunding issues of its debentures, and because of the general rise in lending rates charged on similar loans, such as industrial mortgages, by private lending institutions.



The profit and loss statement, which is shown in detail on page 15, is summarized below.

Fiscal Years ending September 30			
	1959	1958	Change
<i>Interest income.....</i>	\$5,476,000	\$4,516,000	+\$ 960,000
<i>Profit on sale of investments.....</i>	258,000	3,000	+ 255,000
<i>Sundry income.....</i>	150,000	144,000	+ 6,000
	<u>5,884,000</u>	<u>4,663,000</u>	<u>+ 1,221,000</u>
<i>Less:</i>			
<i>Operating expenses .</i>	1,634,000	1,241,000	+ 393,000
<i>Interest on debentures</i>	2,001,000	1,524,000	+ 477,000
<i>Provision for bad and doubtful debts.....</i>	715,000	663,000	+ 52,000
	<u>4,350,000</u>	<u>3,428,000</u>	<u>+ 922,000</u>
<i>Profits transferred to Reserve Fund.....</i>	<u>1,534,000</u>	<u>1,235,000</u>	<u>+ 299,000</u>

Interest income on loans was \$5,476,000 compared with \$4,516,000 during fiscal 1958, an increase of \$960,000. Income arising from profits on the sale of investments was \$258,000 compared with \$3,000 in 1958. As explained in the Annual Report for 1954, the Bank occasionally takes minority equity positions in companies borrowing from the Bank where its loan is substantial in relation to the capital invested by the proprietors and where heavy dependence is placed on the success of the business rather than the realizable value of the security taken. Loans of this type involve more than ordinary risks to the lender, and where the enterprise is successful the Bank is able by virtue of its holding of shares to derive a benefit commensurate with its contribution. The proceeds of sales of such shares, over and above the book value at which they were carried by the Bank, constitute the special income mentioned above.

Sundry income received by the Bank during the fiscal year amounted to \$150,000 compared with \$144,000 in 1958 and arose



mainly from fees of certain kinds. No fee is charged for the investigation of a proposal, but a customer's acceptance of the Bank's offer of credit provides that a "commitment fee" is payable to the Bank in the event that the customer allows the credit to lapse without drawing on it. An accepted credit will be held available without charge for a period of several months; if, however, the legal documents are not completed and the credit is not used by a date set out in the letter of offer, it may be necessary for the applicant to pay a "standby fee" if he wishes the Bank to keep its offer to lend open for a further period. In effect, the borrower has an option, for which he pays a premium. Finally, a borrower who wishes to prepay his loan at some time prior to maturity may do so upon payment to the Bank of a "prepayment fee".

The increase in operating expenses during 1959 reflects mainly the additional costs incurred in opening, staffing and equipping the new regional offices referred to above. Salaries and contributions to pension fund, unemployment insurance and group insurance increased from \$942,000 in 1958 to \$1,175,000 in 1959. The total number of persons on the staff of the Bank was 192 at September 30, 1959 as compared with 162 a year earlier, a net increase of 30, associated with the increased volume of business and the staffing of the new offices referred to earlier.

Interest on debentures (including amortization of discount and premium) rose from \$1,524,000 in 1958 to \$2,001,000 in 1959, partly as a result of the increase in the total amount of the Bank's debentures outstanding, but chiefly as a result of the rise in interest rates on new issues and refunding issues of debentures, similar to the rise in yields on short and medium term government bonds during the year.

For the fiscal year as a whole income increased slightly more than expenses; this trend was reversed during the year, however, and in later months the margin of income over expenses was running at an appreciably lower rate than in the earlier months.

The Bank's profit other than capital profits and before provision for bad and doubtful debts was \$1,991,000 as compared with \$1,895,000 during fiscal 1958. An amount of \$715,000 was appropriated to the Reserve for Losses. After taking in the capital profit of \$258,000 already mentioned, the balance of profit, viz:—\$1,534,000, was (in accordance with the provisions of the Industrial

Development Bank Act) transferred to the Reserve Fund which now stands at \$12,809,000. Profit after provision for bad and doubtful debts but excluding capital profit on sale of investments was at the rate of 3.3 per cent of the average amount of capital and reserves outstanding during the year, or at the rate of 4.0 per cent if capital profit on sale of investments is included.

Bad debts aggregating \$815,000 in excess of recoveries were written off out of Reserve for Losses during the year, leaving a year-end balance of \$1,600,000 which was \$100,000 lower than a year earlier. The transactions affecting this account were made following the annual assessment by the management and by the auditors of the Bank of its exposure to losses. At the end of the year this special reserve for possible future losses on loans then on the books amounted to 1.5 per cent of the \$109.1 million of such loans outstanding or committed, which is a smaller ratio than other lending institutions are accustomed to provide. The sum of actual losses realized from 1944 to date plus the reserve for possible future losses amounts to 1.3 per cent of the \$220.1 million total of loans taken up by borrowers during the fifteen-year period.

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 1959  
(with comparative figures for the year ended September 30, 1958)

INCOME:	1959	1958
Interest.....	\$5,476,233	\$4,515,927
Profit on sale of investments.....	257,555	3,000
Sundry.....	149,922	144,184
	<u>\$5,883,710</u>	<u>\$4,663,111</u>
EXPENSES:		
Salaries.....	\$1,039,298	\$ 830,564
Pension fund, unemployment insurance and group insurance.....	135,278	111,070
Investigation and supervision expenses.....	30,462	26,433
Staff transfer and travelling expenses.....	71,316	16,333
Rental and other costs—leased premises...	157,094	122,513
Depreciation on equipment.....	18,440	14,164
Telephone and telegrams.....	31,338	22,598
Office supplies and expenses.....	49,768	25,224
Directors' fees.....	5,500	6,800
Auditors' fees and expenses.....	10,286	10,745
All other operating expenses.....	85,360	54,204
Total operating expenses.....	<u>\$1,634,140</u>	<u>\$1,240,648</u>
Interest on debentures (including amortization of discount and premium).....	2,001,382	1,524,288
Provision for bad and doubtful debts.....	714,625	663,394
	<u>\$4,350,147</u>	<u>\$3,428,330</u>
Profits transferred to reserve fund.....	<u>\$1,533,563</u>	<u>\$1,234,781</u>

## RESERVE FOR LOSSES

Balance, October 1, 1958.....		\$1,700,000
Add:		
Recovery of debts previously written off	\$ 5,643	
Provision for bad and doubtful debts for the year ended September 30, 1959...	714,625	720,268
		<u>\$2,420,268</u>
Less:		
Bad debts written off.....		820,268
Balance, September 30, 1959.....		<u>\$1,600,000</u>

## RESERVE FUND

Balance, October 1, 1958.....	\$11,275,405
Profits for the year ended September 30, 1959	1,533,563
Balance, September 30, 1959.....	<u>\$12,808,968</u>

# INDUSTRIAL DE

## STATEMENT OF ASSETS AND LI

(with comparative figu

### ASSETS:

	1959	1958
Cash on hand and deposits with other banks.....\$	377,247	\$ 121,900
Loans and investments.. \$ 96,871,551		
Accrued interest..... 389,675	97,261,226	89,278,830
Property held for sale (including agree- ments for sale).....	131,433	135,193
Guarantees and underwriting agree- ments (as per contra).....	18,112	21,089
Other assets (including unamortized de- benture discount and premium pay- ments 1959—\$800,963; 1958— \$733,618).....	953,682	822,945
	<u>\$98,741,700</u>	<u>\$90,379,957</u>

J. E. COYNE

President

# DEVELOPMENT BANK

AS AT SEPTEMBER 30, 1959

(September 30, 1958)

## LIABILITIES:

Capital—	1959	1958
<i>Authorized, issued and paid up</i>		
250,000 shares par value \$100 each .	\$25,000,000	\$25,000,000
<i>Reserve fund</i> .....	12,808,968	11,275,405
<i>Reserve for losses</i> .....	1,600,000	1,700,000
<i>Bonds and debentures outstanding</i> .....	\$57,700,000	
<i>Accrued interest</i> .....	990,375	58,690,375
		51,799,625
<i>Liabilities under guarantees and underwriting agreements</i> .....	18,112	21,089
<i>Other liabilities (including insurance proceeds awaiting disposition 1959—\$ Nil; 1958—\$143,121)</i> .....	624,245	583,838
	<u>\$98,741,700</u>	<u>\$90,379,957</u>

E. FRICKER

Chief Accountant

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1959 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank at September 30, 1959 according to the best of our information and as shown by the books of the Bank.

ROSAIRE COURTOIS, C.A.  
of Courtois, Fredette & Cie

W. R. KAY, C.A.  
of Fred Page Higgins & Company

Ottawa, November 3, 1959.

## BOARD OF DIRECTORS

J. E. COYNE	OTTAWA <i>President</i>
J. R. BEATTIE	OTTAWA <i>Member of the Executive Committee</i>
H. BARIBEAU	LEVIS, QUE
J. T. BRYDEN	TORONTO, ONTARIO <i>Member of the Executive Committee</i>
C. HEDLEY FORBES	FREDERICTON, N.B.
F. FIELD, F.C.A.	VANCOUVER, B.C.
C. BRUCE HILL	ST. CATHARINES, ONT.
W. A. JOHNSTON, Q.C.	WINNIPEG, MAN.
J. H. MOWBRAY JONES	LIVERPOOL, N.S.
S. N. MACEACHERN	SASKATOON, SASK.
L. PATRICK, C.B.E.	CALGARY, ALTA.
H. A. RUSSELL	ST. JOHN'S, NFLD.
A. SAMOISSETTE, O.B.E.	MONTREAL, QUE.
A. A. SCALES	CHARLOTTETOWN, P.E.I.
K. W. TAYLOR, C.B.E.	OTTAWA <i>Member of the Executive Committee</i>



# OFFICERS

J. E. COYNE    *PRESIDENT*

D. G. MARBLE, C.B.E.    *GENERAL MANAGER*

A. N. H. JAMES    *ASSISTANT GENERAL MANAGER*

L. F. MUNDY    *SECRETARY*

H. J. C. RUSSELL    *EXECUTIVE ASSISTANT*

C. E. DeATHE    *ADMINISTRATIVE ASSISTANT*

H. M. SCOTT    *CHIEF, LEGAL DEPARTMENT*

W. L. MUNDY    *CHIEF, INSURANCE DEPARTMENT*

G. R. ELLIOTT    *CHIEF, BRANCH CREDITS DEPARTMENT*

H. DUNCAN    *CHIEF, LOAN ACCOUNTING DEPARTMENT*

P. D. SMITH    *DEPUTY SECRETARY*

C. I. STUART    *DEPUTY SECRETARY*

E. FRICKER    *CHIEF ACCOUNTANT*

E. METCALFE    *INTERNAL AUDITOR*

## REGIONAL OFFICES

### BRITISH COLUMBIA

N. C. TOMPKINS	ASSISTANT GENERAL MANAGER, BRITISH COLUMBIA	1030 WEST GEORGIA ST., VANCOUVER, B.C. TELEPHONE: MU 1-7484
J. E. MILLARD	ASSISTANT SUPERVISOR	
B. E. CRAWFORD	ASSISTANT SUPERVISOR	

### ALBERTA, YUKON, NORTHWEST TERRITORIES

F. M. AYKROYD	SUPERVISOR	513 EIGHTH AVE. WEST CALGARY, ALTA. TELEPHONE: AM 9-6681
---------------	------------	--

### MANITOBA, SASKATCHEWAN

H. R. STOKER	SUPERVISOR	195 PORTAGE AVE. EAST WINNIPEG, MAN. TELEPHONE: WH 3-0748
J. G. PLATT	OFFICER-IN-CHARGE, REGINA	1874 SCARTH ST., REGINA, SASK. TELEPHONE: LA 7-6631

### ONTARIO

W. C. STUART	SUPERVISOR	250 UNIVERSITY AVE., TORONTO, ONT. TELEPHONE: EM 8-1145
J. HARVEY	ASSISTANT SUPERVISOR	
K. K. HAY-ROE	MANAGER, LONDON	291 DUNDAS ST., LONDON, ONT. TELEPHONE: GE 8-8363

### QUEBEC

E. R. CLARK	SUPERVISOR	901 VICTORIA SQ., MONTREAL, QUE. TELEPHONE: UN 6-2701
G. D. COATES	ASSISTANT SUPERVISOR	
L. VIAU	ASSISTANT SUPERVISOR	
J. J. PANNETON	MANAGER, QUEBEC	955 CHEMIN ST. LOUIS QUEBEC, QUE. TELEPHONE: LA 7-2539

### NEW BRUNSWICK, PRINCE EDWARD ISLAND

R. H. WHEELER	SUPERVISOR	35 CHARLOTTE ST., SAINT JOHN, N.B. TELEPHONE: OX 3-2595
---------------	------------	---

### NOVA SCOTIA, NEWFOUNDLAND

E. A. BELL	SUPERVISOR	65 SPRING GARDEN ROAD HALIFAX, N.S. TELEPHONE: 2-7444
------------	------------	---





CA1

FN130

-R27



Government  
Publications

# INDUSTRIAL DEVELOPMENT BANK



Annual report to the  
Minister of

(REPORT OF THE PRESIDENT)

FINANCE AND STATEMENT OF ACCOUNTS

1957/60

(FISCAL YEAR 1960)





*“Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises . . .”*

— Preamble to the Industrial Development Bank Act

# INDUSTRIAL DEVELOPMENT BANK

Ottawa, December 9th, 1960.

The Hon. Donald M. Fleming, Q.C.,  
Minister of Finance,  
Ottawa, Ontario.

*Dear Sir,*

*In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1960, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.*

*Yours very truly,*

J. E. Coyne,  
*President.*

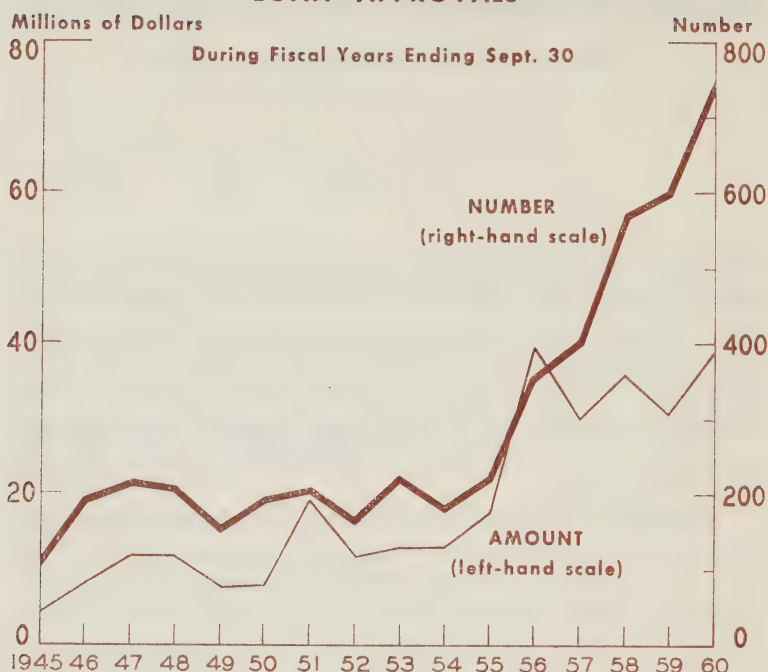
# INDUSTRIAL DEVELOPMENT BANK

## Report of the President—1960

The Bank's volume of lending activity increased in the fiscal year ended September 30, 1960. New loans during this period amounted to 740 for a total of \$38.6 million, an increase of 24 per cent in number and 26 per cent in amount compared with the previous fiscal year. The average amount authorized per new loan was virtually unchanged at \$52,000. Tables showing loan approvals classified by size, by province and by industry appear on pages 6-9 of this report.

Although the increase in the volume of business transacted by the Bank in recent years has been gratifying, there are probably many more businesses which could benefit from use of the Bank's facilities as these facilities become more widely known. During the past two years the Bank has more than doubled the number of its regional offices; in 1959 new offices were opened at Saint John, Quebec City, London, and Regina, and in 1960 at Ottawa, Sudbury and Edmonton bringing the total to 13. In addition the Bank has recently expanded its public information programme. Advertisements have been published in daily and weekly newspapers and in professional, business, financial and industrial publications. These advertisements include typical "case histories" of enterprises which have obtained loans from the Industrial Development Bank and are designed to draw to the attention of the public the services which the Bank is able to extend to qualified borrowers. Direct mailings of information about the I.D.B. have been made to chartered banks, lawyers, auditors, accountants and many categories of industrial enterprises across Canada. A short film illustrating various aspects of the Bank's role in the financing of small and medium-sized businesses was produced in 1959. Copies of this film have already been widely distributed and are available at all I.D.B. regional offices for showing to interested groups in the community. These and other activities of the Bank

## LOAN APPROVALS

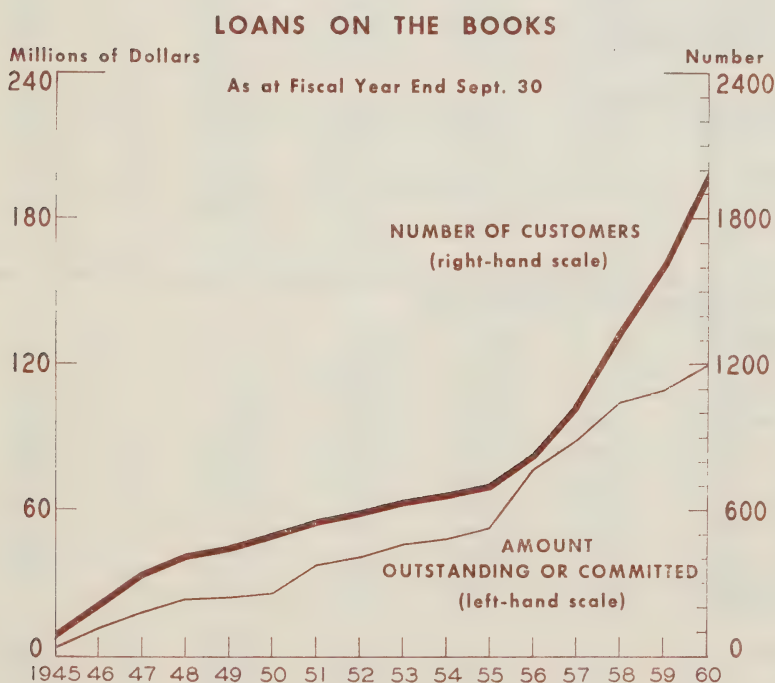


in the information field have been put under the full-time direction of an information officer. As a means of more direct contact, officers of the I.D.B. frequently attend meetings of Chambers of Commerce and other business organizations to discuss the facilities which the Bank has to offer.

Since it commenced operations on November 1, 1944 the Bank has approved 4,700 loans amounting in the aggregate to \$300 million. These two figures for loans approved since 1944 do not reflect the further assistance given by way of deferments of principal payments which have been permitted, in some cases to enable borrowers to acquire new equipment and premises or to replace equipment without having recourse to additional borrowings, and in other cases to assist borrowers during periods when sales or earnings have been at other than satisfactory levels. In the latter cases the deferment of principal payments for a period has frequently provided the necessary relief to enable the busi-

ness to recover and make further progress. The alternative would in many cases have resulted in losses not only to the Bank but also to the owners of the businesses.

At September 30, 1960 the Bank had on its books 2,425 loans to 1,966 industrial enterprises. The total amount outstanding or committed under these loans was \$120 million, of which \$103 million was outstanding and \$17 million was committed but not yet disbursed. Of the 1,966 customers on the Bank's books as of this date 874, or 44 per cent, of the total had loans outstanding or committed for amounts of \$25,000 or less. Those having loans outstanding or committed for amounts of \$200,000 or less numbered 1,851, or 94 per cent of the total. The average amount outstanding or committed per customer was \$61,000. Accounts in excess of \$200,000 amounted in total to \$42 million outstanding or committed; the statutory limit on accounts with amounts outstanding in excess of \$200,000 is \$75 million.



# LOAN A DURING FISCAL YEAR

## NUMBER

### CLASSIFICATION BY NEW OR EXISTING BORROWERS

	1955	1956	1957	1958
<i>To New Borrowers.....</i>	145	232	308	420
<i>To Existing Borrowers.....</i>	76	117	93	151
<i>Total.....</i>	221	349	401	571

### CLASSIFICATION BY SIZE

<i>\$5,000 or less.....</i>	9	13	13	20
<i>Over 5,000 to 25,000.....</i>	76	119	143	223
<i>Over 25,000 to 50,000.....</i>	52	80	92	127
<i>Over 50,000 to 100,000.....</i>	42	72	88	121
<i>Over 100,000 to 200,000.....</i>	24	32	36	46
<i>Total up to \$200,000.....</i>	203	316	372	537
<i>Over \$200,000.....</i>	18	33	29	34
<i>Total.....</i>	221	349	401	571
<i>Average Size.....</i>				

### CLASSIFICATION BY PROVINCE

<i>Newfoundland.....</i>	..	2	2	2
<i>Prince Edward Island.....</i>	..	5	1	..
<i>Nova Scotia.....</i>	4	7	15	28
<i>New Brunswick.....</i>	7	8	20	24
<i>Quebec.....</i>	71	96	98	147
<i>Ontario.....</i>	61	121	129	169
<i>Manitoba.....</i>	14	22	19	42
<i>Saskatchewan.....</i>	6	1	7	11
<i>Alberta.....</i>	14	25	28	57
<i>British Columbia.....</i>	43	60	80	90
<i>Yukon and N. W. Territories.....</i>	1	2	2	1
<i>Total.....</i>	221	349	401	571



# ROYALS

## ENDING SEPTEMBER 30

AMOUNT (\$000)

1959	1960	1955	1956	1957	1958	1959	1960
438	571	12,739	29,264	25,210	26,686	24,150	29,517
161	169	4,723	10,095	4,901	9,255	6,429	9,059
599	740	17,462	39,359	30,111	35,941	30,579	38,576

31	28	20	31	31	52	105	121
242	313	1,239	1,971	2,392	3,662	3,911	4,905
153	188	1,892	3,014	3,599	4,947	5,939	7,131
112	124	3,184	5,425	6,582	9,047	8,406	9,659
43	60	3,498	4,820	5,526	6,808	6,293	8,748
581	713	9,833	15,261	18,130	24,516	24,654	30,564
18	27	7,629	24,098	11,981	11,425	5,925	8,012
599	740	17,462	39,359	30,111	35,941	30,579	38,576
.....	.....	79	113	75	63	51	52

7	8	....	75	255	31	236	698
5	8	....	5,497	10	....	171	111
32	28	252	393	1,060	1,235	1,355	1,075
27	30	206	1,344	1,236	1,399	765	888
140	147	5,246	11,903	7,140	10,449	7,585	9,398
193	264	5,638	9,118	9,079	10,473	9,862	12,388
32	37	790	2,504	1,344	2,050	2,065	1,895
19	28	465	11	858	1,019	978	1,493
55	76	694	2,232	1,621	2,784	2,735	3,465
87	110	4,091	6,181	6,933	6,251	4,752	7,057
2	4	80	101	575	250	75	108
599	740	17,462	39,359	30,111	35,941	30,579	38,576

# INDUSTRIAL CLASSIFICATION DURING FISCAL YEAR

	NUMBER			
	1955	1956	1957	1958
<i>Foods and Beverages</i> .....	26	45	49	97
<i>Tobacco and Tobacco Products</i> .....	..	..	..	2
<i>Rubber Products</i> .....	1	1	1	2
<i>Leather Products</i> .....	1	4	1	4
<i>Textile Products (except Clothing)</i> .....	8	14	12	18
<i>Clothing (Textiles and Fur)</i> .....	11	17	17	20
<i>Wood Products</i> .....	38	53	69	72
<i>Paper Products (including Pulp)</i> .....	4	9	5	11
<i>Printing and Allied Industries</i> .....	10	17	14	20
<i>Iron and Steel Products</i> (including Machinery and Equipment).....	27	58	61	67
<i>Transportation Equipment</i> .....	9	5	10	25
<i>Non-Ferrous Metal Products</i> .....	7	13	10	6
<i>Electrical Apparatus and Supplies</i> .....	7	19	13	14
<i>Non-Metallic Mineral Products</i> .....	32	26	26	38
<i>Products of Petroleum and Coal</i> .....	6	6	1	1
<i>Chemical Products</i> .....	8	12	12	18
<i>Miscellaneous Manufacturing Industries</i> .....	8	8	17	13
<i>Commercial Air Services</i> .....	11	17	13	8
<i>Warehousing (including Refrigeration)</i> .....	7	6	10	12
<i>Other Transportation and Storage</i> .....	..	3	18	30
<i>Operating a Mine or Quarry</i> .....	..	2	3	12
<i>Construction</i> .....	..	4	12	32
<i>Industrial Buildings</i> .....	..	2	6	21
<i>Industrial and Technical Services</i> .....	..	8	21	27
<i>Forestry</i> .....	..	..	..	1
	221	349	401	571

# ON OF LOAN APPROVALS

## ENDING SEPTEMBER 30

AMOUNT (\$000)

1959	1960	1955	1956	1957	1958	1959	1960
82	94	1,466	2,988	2,767	7,016	4,340	5,456
..	..	....	....	....	200	....	....
1	5	85	45	25	90	23	250
5	2	25	176	10	82	246	115
13	12	837	769	1,014	1,726	621	489
33	25	732	1,107	428	737	1,707	337
74	77	2,130	4,737	4,535	5,207	4,777	5,147
6	12	236	2,107	530	574	171	803
26	35	398	641	386	1,475	1,194	1,223
73	98	1,685	3,323	3,875	3,792	3,139	4,283
22	30	518	1,915	319	1,070	792	1,169
20	18	557	504	2,730	147	1,129	689
12	11	453	1,618	848	909	546	509
34	41	3,449	1,822	2,037	3,503	1,497	2,625
3	2	893	630	22	20	169	40
20	24	311	449	638	1,362	716	942
17	17	680	257	724	366	1,108	913
13	10	2,313	11,406	3,742	158	891	598
6	12	694	1,062	1,407	931	478	1,183
41	60	....	280	1,055	1,353	1,775	3,977
5	14	....	2,100	525	1,493	346	1,009
33	57	....	285	983	1,027	2,095	2,339
12	11	....	199	714	1,582	884	485
48	71	....	939	797	1,071	1,935	3,203
..	2	....	....	....	50	....	292
599	740	17,462	39,359	30,111	35,941	30,579	38,576

The following table shows the provincial distribution of the loans which are now on the Bank's books and of the loan authorizations made since operations commenced in 1944.

## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1960		Total Authorizations Nov. 1, 1944 to Sept. 30, 1960	
	Amounts			
	Number of Businesses	Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
<i>Newfoundland.....</i>	15	905	21	2,264
<i>P.E.I.....</i>	16	1,468	21	5,902
<i>Nova Scotia.....</i>	82	3,276	121	6,834
<i>New Brunswick.....</i>	83	2,682	141	8,398
<i>Quebec.....</i>	469	34,140	896	91,902
<i>Ontario.....</i>	681	39,688	1,128	87,484
<i>Manitoba.....</i>	111	6,381	212	14,603
<i>Saskatchewan.....</i>	53	2,790	95	9,646
<i>Alberta.....</i>	179	9,267	273	21,487
<i>British Columbia ..</i>	269	18,574	519	49,217
<i>Yukon &amp; N.W.T. ..</i>	8	663	10	1,395
<i>Total.....</i>	<u>1,966</u>	<u>119,834</u>	<u>3,437</u>	<u>299,132</u>

Drawings by borrowers during the year amounted to \$29.7 million while repayments were \$23.4 million and \$0.1 million was written off, so that the total amount of loans outstanding rose by \$6.2 million during the year from \$96.7 million to \$102.9 million. Amounts outstanding plus loans committed but as yet undisbursed rose from \$109.1 million at September 30, 1959, to \$119.8 million at September 30, 1960. The latter amount represented a total of 2,425 loans to 1,966 industrial enterprises.

Comparative statistics covering the main features of the Bank's lending operations during recent fiscal years are summarized in the following table:

### SUMMARY STATISTICS OF LOANS

For Fiscal Years Ending September 30

	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
<i>(Millions of Dollars)</i>						
<i>Amounts Drawn Down by</i>						
<i>Borrowers.....</i>	12.6	20.1	32.6	31.1	29.3	29.7
<i>Repayments by Borrowers .</i>	10.7	12.0	12.8	14.1	20.4	23.4
<i>Amounts Written Off.....</i>	..	..	.1	.1	.8	.1
<i>Increase in Amounts Outstanding.....</i>	1.9	8.1	19.7	16.9	8.1	6.2
<i>Amounts Outstanding at Year-End.....</i>	43.9	52.0	71.7	88.6	96.7	102.9
<i>Amounts Not Yet Disbursed on Loans Authorized at Year-End.....</i>	8.3	24.7	16.4	15.5	12.4	16.9
<i>Amounts Outstanding Plus Undisbursed at Year-End</i>	52.2	76.7	88.1	104.1	109.1	119.8
<i>Number of Customers on the Books at Year-End.....</i>	692	819	1,021	1,321	1,609	1,966
<i>Average Amount Outstanding Plus Undisbursed per Customer (Thousands of Dollars).....</i>	75	94	86	79	68	61

The Bank's lending rate, which had been raised from 6½ per cent to 7 per cent in September 1959, was reduced to 6½ per cent in September 1960. This is the interest rate which normally applies to the Bank's term loans. The reduction was made in view of the decline in bond yields and other interest rates in Canada over the previous twelve months.



The profit and loss statement, which is shown in detail on page 16, is summarized below.

	Fiscal Years Ending September 30		
	1960	1959	Change
<i>Interest income.....</i>	\$6,301,000	\$5,476,000	+\$ 825,000
<i>Profit on sale of invest- ments.....</i>	46,000	258,000	— 212,000
<i>Sundry income.....</i>	116,000	150,000	— 34,000
	<u>6,464,000</u>	<u>5,884,000</u>	<u>+</u> 580,000
<i>Less:</i>			
<i>Operating expenses .</i>	1,993,000	1,634,000	+ 359,000
<i>Interest on debentures</i>	2,474,000	2,001,000	+ 473,000
<i>Provision for bad and doubtful debts.....</i>	488,000	715,000	— 227,000
<i>Profits transferred to Reserve Fund.....</i>	<u>1,508,000</u>	<u>1,534,000</u>	<u>— 26,000</u>

Interest income on loans during fiscal 1960 was \$6,301,000, an increase of \$825,000 over the previous year. Income arising from profits on the sale of investments was \$46,000 compared with the unusually high 1959 figure of \$258,000. Sundry income which consists mainly of fees of various kinds amounted to \$116,000 compared with \$150,000 in 1959.

Both the substantial increase in the volume of business handled by the Bank and the costs incurred in opening, staffing and equipping additional regional offices contributed to the increase in operating expenses during 1960. Salaries and contributions to pension fund, unemployment insurance and group insurance increased from \$1,175,000 in 1959 to \$1,418,000 in 1960. With the rise in the volume of business and the opening of new offices, the staff of the Bank numbered 251 at September 30, 1960 as compared with 192 a year earlier, a net increase of 59.

Interest on debentures (including amortization of discount and premium) rose from \$2,001,000 in 1959 to \$2,474,000 in 1960. The total amount of the Bank's debentures outstanding continued



to rise (from \$57.7 million at September 30, 1959 to \$63.6 million at September 30, 1960) and the average interest rate paid on debentures was higher than in the previous fiscal year.

With total costs rising more than the rise in income, the Bank's profit other than capital profits and before provision for bad and doubtful debts was \$1,950,000 as compared with \$1,991,000 during fiscal 1959. An amount of \$488,000 was appropriated to the Reserve for Losses out of the year's operating profit. Including the capital profit on sale of investments of \$46,000, the total profit for the year amounted to \$1,508,000 and in accordance with the provisions of the Industrial Development Bank Act this sum was transferred to the Reserve Fund which now stands at \$14,317,000. Profit after provision for bad and doubtful debts but excluding capital profit on sale of investments was at the rate of 3.6 per cent on the average amount of capital and reserves outstanding during the year, or at the rate of 3.7 per cent if capital profit is included.

Bad debts aggregating \$35,000 were written off out of the Reserve for Losses during the year, but recoveries of amounts previously written off were \$132,000. In addition to the \$488,000 appropriated to the Reserve for Losses out of current operating profit, an amount of \$315,000 was transferred from special reserves previously carried in "Other liabilities", representing an accumulation of interest which had been received in previous years on doubtful accounts and held in suspense. Since October 1, 1959 interest received on such accounts has been taken into current income. The net effect of these various transactions, which were made following the annual assessment of the Bank's exposure to losses by the management and the auditors, was to increase the year-end balance of the Reserve for Losses to \$2,500,000 compared with \$1,600,000 a year earlier.

As of September 30, 1960 this special reserve for possible future losses on loans then on the books amounted to 2.1 per cent of the \$120 million of such loans outstanding or committed. Actual losses sustained from the inception of the Bank's operations in 1944 to September 30, 1960 amounted to 0.5 per cent of the \$254 million total of loans taken up by borrowers during the sixteen-year period.

# INDUSTRIAL DE

## STATEMENT OF ASSETS AND LI

(with comparative figur

### ASSETS:

	1960	1959
<i>Cash on hand and deposits with other banks.....</i>	\$ 1,452,893	\$ 377,247
<i>Government of Canada securities at values not exceeding market.....</i>	499,644	
<i>Loans and investments \$ 103,071,936</i>		
<i>Accrued interest..... 451,808</i>	103,523,744	97,261,226
<i>Property held for sale (including agreements for sale).....</i>	288,182	131,433
<i>Guarantees and underwriting agreements (as per contra).....</i>	53,756	18,112
<i>Unamortized discount and premium on debentures.....</i>	882,307	800,963
<i>Other assets.....</i>	144,884	152,719
	<u>\$106,845,410</u>	<u>\$98,741,700</u>

J. E. COYNE

*President*

# DEVELOPMENT BANK

LIABILITIES AS AT SEPTEMBER 30, 1960

(September 30, 1959)

	LIABILITIES:	
	1960	1959
<i>Capital</i>		
<i>Authorized, issued and paid up</i>		
250,000 shares par value \$100 each \$	25,000,000	\$25,000,000
<i>Reserve fund</i> .....	14,316,786	12,808,968
<i>Reserve for losses</i> .....	2,500,000	1,600,000
<i>Bonds and debentures</i>		
outstanding..... \$63,600,000		
<i>Accrued interest</i> .....	1,204,750	58,690,375
<i>Liabilities under guarantees and underwriting agreements</i> .....	53,756	18,112
<i>Other liabilities</i> .....	170,118	624,245
	<u>\$106,845,410</u>	<u>\$98,741,700</u>

E. FRICKER

Chief Accountant

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1960 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank at September 30, 1960 according to the best of our information and as shown by the books of the bank.

ROSAIRE COURTOIS, C.A.  
of Courtois, Fredette & Cie

W. R. KAY, C.A.  
of Fred Page Higgins & Company

Ottawa, October 28, 1960

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 1960  
(with comparative figures for the year ended September 30, 1959)

INCOME:	1960	1959
Interest.....	\$6,301,260	\$5,476,233
Profit on sale of investments.....	46,472	257,555
Sundry.....	115,946	149,922
	<u>\$6,463,678</u>	<u>\$5,883,710</u>
EXPENSES:		
Salaries.....	\$1,313,217	\$1,039,298
Pension fund, unemployment insurance and group insurance.....	105,192	135,278
Investigation and supervision expenses.....	38,823	30,462
Staff transfer and travelling expenses.....	65,079	71,316
Rental and other costs—leased premises....	183,041	157,094
Depreciation on equipment.....	27,289	18,440
Telephone and telegrams.....	41,090	31,338
Office supplies and expenses.....	102,072	49,768
Directors' fees.....	5,250	5,500
Auditors' fees and expenses.....	19,762	10,286
All other operating expenses.....	92,593	85,360
Total operating expenses.....	<u>\$1,993,408</u>	<u>\$1,634,140</u>
Interest on debentures (including amortization of discount and premium).....	2,474,252	2,001,382
Provision for bad and doubtful debts.....	488,200	714,625
	<u>\$4,955,860</u>	<u>\$4,350,147</u>
Profits transferred to reserve fund.....	<u>\$1,507,818</u>	<u>\$1,533,563</u>

## RESERVE FOR LOSSES

Balance, October 1, 1959.....		\$1,600,000
Add:		
Recovery of amounts previously written off	\$ 132,092	
Transfer of interest previously unapplied and held in suspense*.....	315,078	
Provision for bad and doubtful debts for the year ended September 30, 1960 ....	488,200	935,370
		<u>\$2,535,370</u>
Less:		
Bad debts written off.....		35,370
Balance, September 30, 1960.....		<u>\$2,500,000</u>

## RESERVE FUND

Balance, October 1, 1959.....	\$12,808,968
Profits for the year ended September 30, 1960	1,507,818
Balance, September 30, 1960.....	<u>\$14,316,786</u>

\* See page 13.

## BOARD OF DIRECTORS

J. E. COYNE	OTTAWA <i>President</i>
J. R. BEATTIE	OTTAWA <i>Member of the Executive Committee</i>
H. BARIBEAU	LEVIS, QUE.
J. T. BRYDEN	TORONTO, ONT. <i>Member of the Executive Committee</i>
G. G. CROSBIE	ST. JOHN'S, NFLD.
N. H. DeBLOIS	CHARLOTTETOWN, P.E.I.
F. FIELD, F.C.A.	VANCOUVER, B.C.
C. HEDLEY FORBES	FREDERICTON, N.B.
C. BRUCE HILL, M.C.	ST. CATHARINES, ONT.
J. H. MOWBRAY JONES	LIVERPOOL, N.S.
S. N. MACEACHERN	SASKATOON, SASK.
J. RENE OUMET	MONTREAL, QUE.
L. PATRICK, C.B.E.	CALGARY, ALTA.
DANIEL SPRAGUE, C.A.	WINNIPEG, MAN.
K. W. TAYLOR, C.B.E.	OTTAWA <i>Member of the Executive Committee</i>

# OFFICERS

J. E. COYNE	<i>PRESIDENT</i>
D. G. MARBLE, C.B.E.	<i>GENERAL MANAGER</i>
A. N. H. JAMES	<i>ASSISTANT GENERAL MANAGER</i>
L. F. MUNDY	<i>SECRETARY</i>
C. E. DeATHE	<i>ADMINISTRATIVE ASSISTANT</i>
G. D. COATES	<i>ADMINISTRATIVE ASSISTANT</i>
H. M. SCOTT	<i>CHIEF, LEGAL DEPARTMENT</i>
W. L. MUNDY	<i>CHIEF, INSURANCE DEPARTMENT</i>
G. R. ELLIOTT	<i>CHIEF, BRANCH CREDITS DEPARTMENT</i>
H. DUNCAN	<i>CHIEF, LOAN ACCOUNTING DEPARTMENT</i>
P. D. SMITH	<i>DEPUTY SECRETARY</i>
C. I. STUART	<i>DEPUTY SECRETARY</i>
E. FRICKER	<i>CHIEF ACCOUNTANT</i>
E. METCALFE	<i>INTERNAL AUDITOR</i>



## REGIONAL OFFICES

<b>VANCOUVER</b> 1030 WEST GEORGIA ST., TELEPHONE: MU 1-7434	F. M. AYKROYD J. E. MILLARD B. E. CRAWFORD	<i>SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i>
<b>CALGARY</b> 513 EIGHTH AVE. WEST, TELEPHONE: AM 9-6981	H. J. C. RUSSELL L. F. SMITH	<i>SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i>
<b>EDMONTON</b> 10010-105TH STREET, TELEPHONE: GA 4-0695	E. G. CAPLING	<i>MANAGER</i>
<b>WINNIPEG</b> 195 PORTAGE AVE. EAST, TELEPHONE: WH 3-0748	H. R. STOKER K. A. POWERS	<i>SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i>
<b>REGINA</b> 1874 SCARTH ST., TELEPHONE: LA 7-6631	C. R. T. BINGLEY	<i>ACTING MANAGER</i>
<b>TORONTO</b> 250 UNIVERSITY AVE., TELEPHONE: EM 8-1145	W. C. STUART J. R. GIBB N. P. BRUCE	<i>SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i>
<b>LONDON</b> 291 DUNDAS ST., TELEPHONE: GE 8-8363	K. K. HAY-ROE	<i>MANAGER</i>
<b>SUDBURY</b> 45 ELM STREET, TELEPHONE: OS 4-8347	W. H. JAY	<i>MANAGER</i>
<b>MONTREAL</b> 901 VICTORIA SQ., TELEPHONE: UN 6-2701	E. R. CLARK J. E. NORDIN L. VIAU	<i>SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i> <i>ASSISTANT SUPERVISOR</i>
<b>OTTAWA</b> 350 KING EDWARD AVE., TELEPHONE: CE 2-5789	J. HARVEY	<i>MANAGER</i>
<b>QUEBEC</b> 925 CHEMIN ST. LOUIS, TELEPHONE: 527-2539	J. J. PANNETON	<i>MANAGER</i>
<b>SAINT JOHN</b> 35 CHARLOTTE ST., TELEPHONE: OX 3-2595	R. H. WHEELER	<i>SUPERVISOR</i>
<b>HALIFAX</b> 123 HOLLIS ST., TELEPHONE: 2-7444	E. A. BELL	<i>SUPERVISOR</i>







CAI

FN/30

-R27

Government  
Publications



# INDUSTRIAL DEVELOPMENT BANK

*Annual report 1961*

*of Finance*



REPORT OF THE PRESIDENT AND  
STATEMENT OF ACCOUNTS  
FISCAL YEAR

# 1961





INDUSTRIAL  
DEVELOPMENT  
BANK

Government  
Publications



HEAD OFFICE

OTTAWA

December 8th, 1961.

The Hon. Donald M. Fleming, Q.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1961, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. Rasminsky", is written in a cursive style.

President.

## HIGHLIGHTS

FISCAL YEARS ENDING SEPT. 30	1959	1960	1961
Number of loans made in year	599	740	1,364
Amount of loans made in year*	\$31	\$39	\$71
Number of customers at year-end	1,609	1,966	2,768
Amounts outstanding or committed at year-end*	\$109	\$120	\$154

\* IN MILLIONS



# INDUSTRIAL DEVELOPMENT BANK



## REPORT OF THE PRESIDENT — 1961

The fiscal year ending September 30, 1961, the seventeenth year of operation for Industrial Development Bank, was one of marked expansion — in volume of lending, in number of staff and branches, in loanable resources and in the fields of eligible lending as laid down by Parliament in the I.D.B. Act.

### VOLUME OF LENDING

There was an 84 per cent increase in the number of loans made by the Bank in fiscal 1961 compared with the previous year. The rate of lending has been rising steadily ever since the Bank was established, but the increase was much greater in 1961 than in any previous year, and 1,364 loans were made during the year. The dollar total of loans made increased from \$38.6 million in fiscal 1960 to \$71.2 million in fiscal 1961.

Since the I.D.B. was established in 1944, 6,059 loans amounting to \$370.3 million have been made to 4,507 Canadian businesses. Of this total number of loans 23 per cent were made in fiscal 1961.

The number of customers with loans outstanding or committed rose from 1,966 at September 30, 1960 to 2,768 at September 30, 1961, an increase of 41 per cent. Loans outstanding or committed increased by \$34.4

## REPORT OF THE PRESIDENT (*continued*)

million, from \$119.8 million at the beginning of the year to \$154.2 million at the year end.

Several factors contributed to this large expansion of the Bank's lending activity in fiscal 1961. Foremost amongst these, perhaps, was the cumulative effect of the earlier steady growth of lending by the Bank to Canadian businesses from coast to coast. More businessmen, bankers, lawyers and auditors — the business community in general — are now aware of the existence of the I.D.B. and the help it can give in financing the establishment, expansion and modernization of Canadian businesses in cases where the required financing is not available elsewhere on reasonable terms and conditions. Other major factors have been the opening of additional branch offices, which now number 16 as compared with 6 three years ago, and the expanded programme of public information which was initiated a year ago and was described in some detail in last year's Annual Report.

### SIZE OF LOANS

The Bank gives particular consideration to the financing problems of small businesses. In fiscal 1961, 45 per cent of the number of loans made were for amounts of \$25,000 or less and 72 per cent were for amounts of \$50,000 or less. The average amount of the loans authorized during the year was \$52,000, virtually unchanged from the two previous years.

While most of the loans made by the Bank were for amounts of less than \$50,000 the Bank also authorized a number of larger loans. In fiscal 1961, 37 of the 1,364 loans approved were for amounts in excess of \$200,000 and these loans accounted for \$14.8 million of the total of \$71.2 million.

A detailed size classification of loans made in each of the last six years is shown on pages 16 and 17, as well as classifications by province and as between new and existing borrowers. There is a classification by types of businesses on pages 18 and 19. The provincial distribution of loans and summary statistics of loans appear on page 15.

## NEW BRANCHES

To make its services more readily accessible to businessmen the Bank opened four branches in 1959 and three in 1960. During 1961 three more branches were opened at:

- Hamilton — to serve the Hamilton-Niagara region.
- St. John's — to serve Newfoundland.
- Port Arthur — to serve northwestern Ontario.

The Bank's 16 branch offices from coast to coast are listed on pages 22 and 23 of this Report.

## AMENDMENT TO I.D.B. ACT

The Industrial Development Bank Act was amended by Parliament in July, and the Bank's powers and resources were expanded in these important respects:

- Many more types of businesses in Canada were made eligible for loans. Previously the Bank was empowered to provide financing only for certain specified classes of industry, including manufacturing and processing, air transport, construction and some service activities. The 1961 amendment broadened the definition of eligible enterprises to include "any industry, trade or other business undertaking", thus adding such categories as retail and wholesale trade, the tourist industry, and recreational and professional services. As this change did not become effective until near the end of the Bank's fiscal year, it had comparatively little influence on the total number of loans made in the year. However, many loan applications from newly eligible businesses were in process at the fiscal year-end. While the new definition of eligible enterprises is very widely inclusive, it was clear that Parliament did not intend it to be all-inclusive, and there are a few categories of business which, by policy decisions of the Board of Directors, are not regarded as appropriate for I.D.B. assistance.

## REPORT OF THE PRESIDENT (*continued*)

- The Bank's authorized share capital was increased from \$25 million to \$50 million. The Bank of Canada, which purchased all of the originally issued capital of \$25 million, acquired an additional \$1 million shortly before the end of fiscal 1961 and the balance of \$24 million will be issued as needed. In addition, the borrowing authority of the I.D.B. was increased from three to five times the aggregate amount of its paid-up capital and reserve fund. The effect of these changes was to increase the total financial resources available to the I.D.B. from approximately \$157 million at the beginning of fiscal 1961 to approximately \$400 million.

In the consideration which Parliament gave to amending the Act the hope was expressed that the I.D.B. might be of increasing use in making it possible to maintain Canadian ownership of family firms at times when infusions of new management together with new capital become desirable or when the incidence or prospect of estate taxes presents difficult problems.

## BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

The 1961 amendment to the I.D.B. Act increased the number of the Bank's Directors from 15 to 16 by the addition of the Deputy Minister of the Department of Trade and Commerce, who was also designated a member of the Executive Committee of the Board. An additional Director was also made a member of the Executive Committee of the Board, raising the number serving on the Committee from four to six.

## EXPANSION OF STAFF

The very large growth in the Bank's business in fiscal 1961, the opening of three new branch offices and the prospective increase in lending activity arising from the amendment to the Industrial Development Bank Act to which reference has been made required a substantial increase in the Bank's staff. The number of employees rose from 251 to 402 during the year.



LOANS AND INVESTMENTS

Loans and investments outstanding increased from \$103.1 million at September 30, 1960 to \$123.3 million at September 30, 1961. These figures exclude amounts authorized but not yet fully disbursed at those dates, which were \$17.0 million and \$31.5 million respectively.

INCOME AND EXPENSES

The profit and loss statement, which is shown in detail on page 12, is summarized below.

	Fiscal Years Ending September 30		
	1961	1960	Change
Interest income . . . . .	\$7,134,000	\$6,301,000	+\$833,000
Profit on sale of investments . . . . .	128,000	46,000	+ 82,000
Sundry income . . . . .	162,000	116,000	+ 46,000
	<u>7,424,000</u>	<u>6,463,000</u>	<u>+ 961,000</u>
Less:			
Operating expenses . . . . .	2,779,000	1,993,000	+ 786,000
Interest on debentures . . . . .	3,008,000	2,474,000	+ 534,000
Provision for bad and doubtful debts . . . . .	444,000	488,000	- 44,000
Profit transferred to Reserve Fund	<u>1,193,000</u>	<u>1,508,000</u>	<u>- 315,000</u>

Interest income of \$7,134,000 from loans and investments was \$833,000 more than in the previous fiscal year. This was chiefly due to the larger amounts outstanding as the Bank’s interest rate on new loans remained unchanged at 6½ % during the year.

Profit from sale of investments amounted to \$128,000. In addition to making term loans, the Bank on occasion provides a further part of the

## REPORT OF THE PRESIDENT (*continued*)

financing required by purchasing a small portion of the borrowing company's common shares with a view to resale to the owner or to others at a later date; the profit referred to arose from sale of some of the shares acquired in that way.

Sundry income of \$162,000 represented mainly prepayment, commitment and standby fees.

Interest paid by the Bank on its debentures rose by \$534,000 to \$3,008,000.

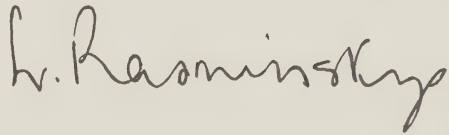
The administrative expenses of the Bank in fiscal 1961 were increased not only as a result of the large expansion in business during that year but as a result of the preparations made for the expansion which is expected to result from the amendment to the Act passed by Parliament. The total of administrative expenses increased by \$786,000 to \$2,779,000. The major increases in expenses were as follows:

- Salaries (including contributions to pension fund, unemployment insurance and group insurance) were \$548,000 higher than in the previous fiscal year, reflecting the expansion of staff during 1961.
- The cost of premises increased \$123,000 over fiscal 1960; most branches required larger premises to accommodate the expanded staff and three new offices were opened.
- The public information programme, designed to make the Bank's services more widely known, accounted for expenditures of \$80,000, which was \$34,000 more than in the previous year.

Net profit before provision for bad and doubtful debts was \$1,637,000 in fiscal 1961, or 18 per cent less than in the preceding year. After appropriation of \$444,000 of the year's operating profit to the reserve for losses, the balance of profit for fiscal 1961 amounted to \$1,193,000 as compared with \$1,508,000 in fiscal 1960. In accordance with the Industrial Development Bank Act, the profit remaining after the appropriation to the reserve for losses was added to the reserve fund, raising it to \$15,510,000 at fiscal year end.

## RESERVE FOR LOSSES

Bad debts totalling \$246,000 were written off in fiscal 1961 against the reserve for losses accumulated in prior years, while \$2,000 of amounts previously written off were recovered. The amount of \$444,000 transferred from 1961 operating profit raised the reserve to \$2,700,000, representing 1.8 per cent of loans outstanding or committed at the fiscal year end.

A handwritten signature in dark ink, reading "L. Rasminsky". The signature is written in a cursive style with a large, looped initial "L" and a trailing flourish.

PRESIDENT.

INDUSTRIAL DE

# STATEMENT OF ASSETS AND LIA

WITH COMPARATIVE FIGURE

## ASSETS

	1961	1960
Cash on hand and deposits with other banks \$	61,962 \$	1,452,893
Government of Canada securities at values not exceeding market.....		499,644
Loans and investments..... \$123,260,808		
Accrued interest..... <u>531,043</u>	123,791,851	103,523,744
Property held for sale (including agreements for sale).....	196,494	288,182
Guarantees and underwriting agreements (as per contra).....	47,101	53,756
Unamortized discount and premium on de- bentures.....	700,925	882,307
Other assets.....	213,799	144,884
	<u>\$125,012,132</u>	<u>\$106,845,410</u>

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT

# DEVELOPMENT BANK LIABILITIES AS AT SEPTEMBER 30, 1961 SEPTEMBER 30, 1960

## LIABILITIES

	1961	1960
Capital —		
Authorized		
500,000 shares par value \$100 each		
Issued and paid up		
260,000 shares (1960 — 250,000 shares)..	\$ 26,000,000	\$ 25,000,000
Reserve fund .....	15,510,042	14,316,786
Reserve for losses .....	2,700,000	2,500,000
Bonds and debentures out- standing .....	\$ 78,900,000	
Accrued interest .....	<u>1,671,500</u>	<u>80,571,500</u>
		64,804,750
Liabilities under guarantees and underwriting agreements .....	47,101	53,756
Other liabilities .....	<u>183,489</u>	<u>170,118</u>
	<u>\$125,012,132</u>	<u>\$106,845,410</u>

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1961 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1961 according to the best of our information and as shown by the books of the bank.

W. R. KAY, C.A.  
of Fred Page Higgins & Company

J. H. RENÉ DE COTRET, C.A.  
of René de Cotret, Ferron,  
Nobert & Cie.

Ottawa, October 31, 1961.

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 1961

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED SEPTEMBER 30, 1960

INCOME	1961	1960
Interest.....	\$ 7,134,362	\$ 6,301,260
Profit on sale of investments.....	127,470	46,472
Sundry.....	162,408	115,946
	<u>\$ 7,424,240</u>	<u>\$ 6,463,678</u>

## EXPENSES

Salaries.....	\$ 1,813,247	\$ 1,313,217
Pension fund, unemployment insurance and group insurance.....	153,543	105,192
Investigation and supervision expenses.....	50,320	38,823
Staff transfer and travelling expenses.....	76,078	65,079
Rental and other costs — leased premises...	305,668	183,041
Depreciation on equipment.....	38,741	27,289
Telephone and telegrams.....	52,792	41,090
Office supplies and expenses.....	99,654	102,072
Directors' fees.....	8,000	5,250
Auditors' fees and expenses.....	14,686	19,762
All other operating expenses.....	166,313	92,593
Total operating expenses.....	<u>\$ 2,779,042</u>	<u>\$ 1,993,408</u>
Interest on debentures (including amortization of discount and premium).....	3,007,554	2,474,252
Provision for bad and doubtful debts.....	444,388	488,200
	<u>\$ 6,230,984</u>	<u>\$ 4,955,860</u>
Profit transferred to reserve fund.....	<u>\$ 1,193,256</u>	<u>\$ 1,507,818</u>



## RESERVES

### RESERVE FOR LOSSES

Balance, October 1, 1960 . . . . . \$ 2,500,000

*Add:*

Recovery of amounts previously written off \$ 1,642

Provision for bad and doubtful debts for the  
year ended September 30, 1961 . . . . . 444,388 446,030

\$ 2,946,030

*Less:*

Bad debts written off . . . . . 246,030

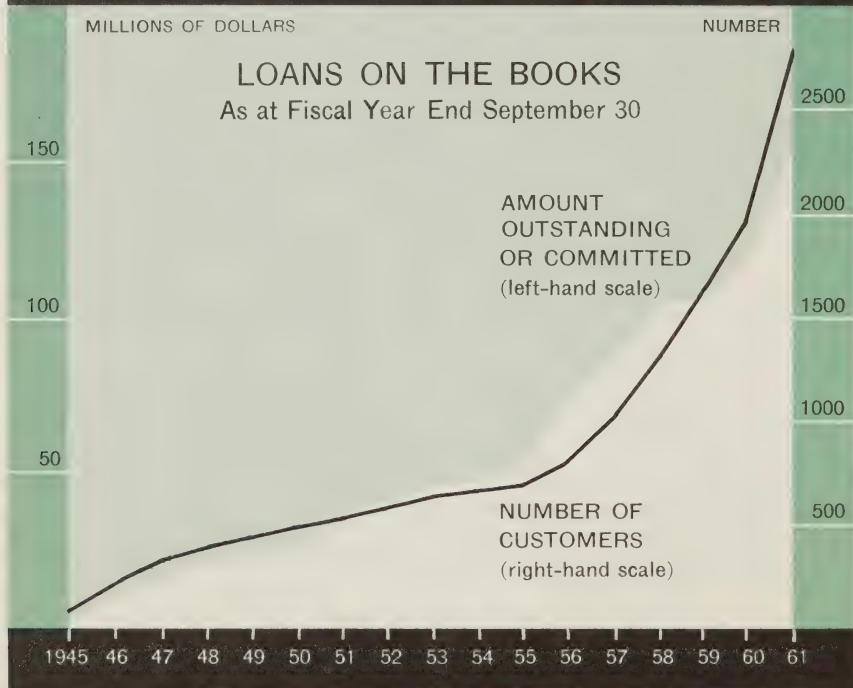
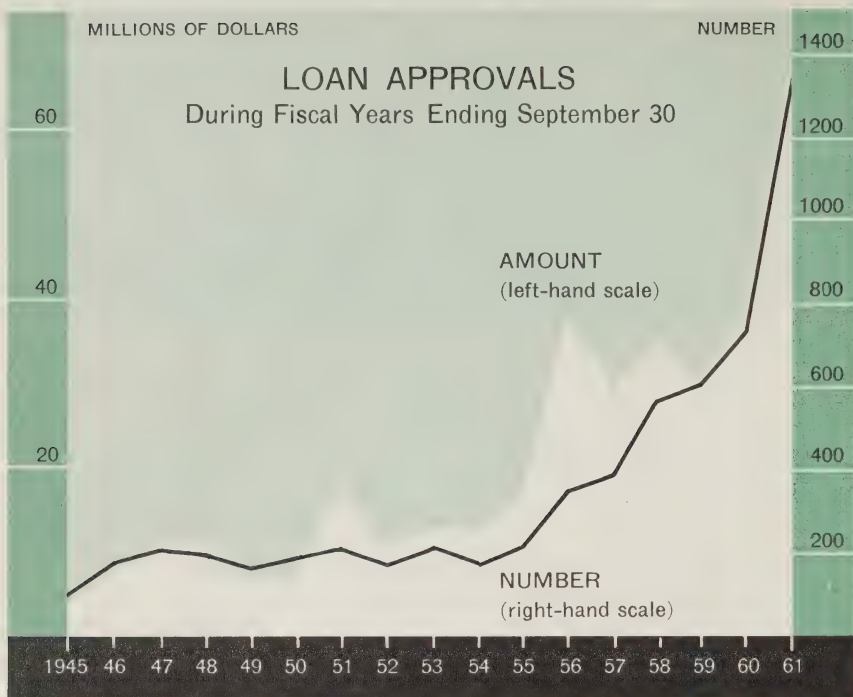
Balance, September 30, 1961 . . . . . \$ 2,700,000

### RESERVE FUND

Balance, October 1, 1960 . . . . . \$ 14,316,786

Profit for the year ended September 30, 1961 . . . . . 1,193,256

Balance, September 30, 1961 . . . . . \$ 15,510,042



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1961		Total Authorizations November 1, 1944 to September 30, 1961	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
Newfoundland.....	33	1,372	41	3,019
Prince Edward Island.....	16	596	24	5,971
Nova Scotia.....	111	4,751	161	8,964
New Brunswick.....	114	4,571	190	11,109
Quebec.....	603	41,252	1,078	108,816
Ontario.....	1,024	55,063	1,553	112,491
Manitoba.....	170	7,262	290	20,036
Saskatchewan.....	96	4,915	150	12,779
Alberta.....	267	11,802	387	27,498
British Columbia.....	324	21,893	618	58,102
Yukon, N.W. Territories ..	10	715	15	1,543
Total.....	<u>2,768</u>	<u>154,192</u>	<u>4,507</u>	<u>370,328</u>

## SUMMARY STATISTICS OF LOANS FOR FISCAL YEARS ENDING SEPTEMBER 30

<i>(Millions of Dollars)</i>	1956	1957	1958	1959	1960	1961
Amounts Drawn Down by Borrowers.....	20.1	32.6	31.1	29.3	29.7	47.5
Repayments by Borrowers.....	12.0	12.8	14.1	20.4	23.4	27.1
Amounts Written Off.....	..	.1	.1	.8	.1	.2
Increase in Amounts Out- standing.....	8.1	19.7	16.9	8.1	6.2	20.2
Amounts Outstanding at Year-End.....	52.0	71.7	88.6	96.7	102.9	123.1
Amounts Not Yet Disbursed on Loans Authorized at Year-End.....	24.7	16.4	15.5	12.4	16.9	31.1
Amounts Outstanding Plus Undisbursed at Year-End	76.7	88.1	104.1	109.1	119.8	154.2
Number of Customers on the Books at Year-End..	819	1,021	1,321	1,609	1,966	2,768
Average Amount Outstand- ing Plus Undisbursed per Customer (Thousands of Dollars).....	94	86	79	68	61	56

# LOAN APPROVALS

DURING FISCAL YEARS ENDING SEPTEMBER 30

## CLASSIFICATION BY NEW OR EXISTING BORROWERS

	NUMBER			
	1956	1957	1958	1959
To New Borrowers .....	232	308	420	438
To Existing Borrowers .....	117	93	151	161
Total .....	349	401	571	599

## CLASSIFICATION BY SIZE

\$ 5,000 or less .....	13	13	20	31
Over 5,000 to 25,000 .....	119	143	223	242
Over 25,000 to 50,000 .....	80	92	127	153
Over 50,000 to 100,000 .....	72	88	121	112
Over 100,000 to 200,000 .....	32	36	46	43
Total up to \$200,000 .....	316	372	537	581
Over \$200,000 .....	33	29	34	18
Total .....	349	401	571	599
Average Size .....				

## CLASSIFICATION BY PROVINCE

Newfoundland .....	2	2	2	7
Prince Edward Island .....	5	1	..	5
Nova Scotia .....	7	15	28	32
New Brunswick .....	8	20	24	27
Quebec .....	96	98	147	140
Ontario .....	121	129	169	193
Manitoba .....	22	19	42	32
Saskatchewan .....	1	7	11	19
Alberta .....	25	28	58	56
British Columbia .....	60	80	89	86
Yukon and N. W. Territories .....	2	2	1	2
Total .....	349	401	571	599

AMOUNT (\$000)

1960	1961	1956	1957	1958	1959	1960	1961
571	1,070	29,264	25,210	26,686	24,150	29,517	53,596
169	294	10,095	4,901	9,255	6,429	9,059	17,600
740	1,364	39,359	30,111	35,941	30,579	38,576	71,196

28	39	31	31	52	105	121	165
313	578	1,971	2,392	3,662	3,911	4,905	8,960
188	371	3,014	3,599	4,947	5,939	7,131	14,198
124	234	5,425	6,582	9,047	8,406	9,659	17,610
60	105	4,820	5,526	6,808	6,293	8,748	15,418
713	1,327	15,261	18,130	24,516	24,654	30,564	56,351
27	37	24,098	11,981	11,425	5,925	8,012	14,845
740	1,364	39,359	30,111	35,941	30,579	38,576	71,196
.....	113	75	63	51	52	52	52

8	21	75	255	31	236	698	754
8	4	5,497	10	....	171	111	70
28	49	393	1,060	1,235	1,355	1,075	2,130
30	61	1,344	1,236	1,399	765	888	2,711
147	259	11,903	7,140	10,449	7,585	9,398	16,914
264	537	9,118	9,079	10,473	9,862	12,388	25,007
37	106	2,504	1,344	2,050	2,065	1,895	5,433
28	64	11	858	1,019	978	1,493	3,133
76	131	2,232	1,621	2,796	2,744	3,465	5,990
110	127	6,181	6,933	6,239	4,743	7,057	8,907
4	5	101	575	250	75	108	147
740	1,364	39,359	30,111	35,941	30,579	38,576	71,196



# CLASSIFICATION OF LOAN APPROVALS BY TYPES OF BUSINESSES

DURING FISCAL YEARS ENDING SEPTEMBER 30

	NUMBER			
	1956	1957	1958	1959
Manufacturing:				
Foods and Beverages.....	44	49	97	82
Tobacco and Tobacco Products.....	..	..	2	..
Rubber Products.....	1	1	2	2
Leather Products.....	4	1	4	5
Textile Products (except Clothing).....	14	12	18	13
Clothing (Textiles and Fur).....	17	17	20	33
Wood Products.....	53	69	72	76
Paper Products (including Pulp).....	9	5	11	6
Printing and Allied Industries.....	17	14	20	26
Iron and Steel Products.....	58	61	67	74
(including Machinery and Equipment)				
Transportation Equipment.....	8	11	26	23
Non-Ferrous Metal Products.....	13	10	6	20
Electrical Apparatus and Supplies.....	19	13	16	12
Non-Metallic Mineral Products.....	26	27	38	34
Products of Petroleum and Coal.....	6	1	1	3
Chemical Products.....	12	12	18	20
Miscellaneous Manufacturing Industries...	8	17	13	16
Commercial Air Services.....	17	13	8	13
Warehousing (including Refrigeration).....	6	10	13	6
Other Transportation and Storage.....	3	18	30	42
Mines (incl. Milling), Quarries, Oil Wells.....	3	3	13	6
Construction.....	4	12	33	35
Industrial Buildings.....	1	6	18	13
Personal Services.....	2	4	15	11
Forestry.....	..	..	1	..
Wholesale Trade.....	1	4	3	7
Retail Trade.....	1	6	2	8
Education and Health Services.....	..	..	..	..
Recreation Services.....	..	1	..	..
Services to Business Management.....	1	3	1	2
Miscellaneous Services.....	1	1	3	7
Agriculture.....	..	..	..	4
	<u>349</u>	<u>401</u>	<u>571</u>	<u>599</u>

(Enterprises engaged in more than one type of business are classified according to major activity.)



AMOUNT (\$000)

1960	1961	1956	1957	1958	1959	1960	1961
93	163	2,958	2,767	7,076	4,340	5,447	8,819
..	..	..	..	200	..	..	..
5	9	45	25	90	38	250	547
2	15	176	10	82	246	115	1,026
12	15	769	1,014	1,726	621	489	933
25	49	1,107	428	737	1,707	837	2,585
77	129	4,737	4,535	5,207	4,740	5,227	7,698
12	18	2,107	530	574	171	803	1,615
35	60	641	386	1,475	1,194	1,223	2,466
99	181	3,323	3,875	3,792	3,154	4,301	8,548
30	45	2,448	354	1,096	795	1,169	1,466
18	31	504	2,730	147	1,129	689	1,207
12	21	1,618	848	962	546	531	2,086
41	69	1,822	2,063	3,503	1,497	2,625	6,034
2	3	630	22	20	169	40	224
24	28	449	638	1,362	716	942	1,281
16	38	257	724	404	1,102	868	1,746
10	19	11,406	3,742	158	891	598	898
12	14	1,062	1,407	951	479	1,183	765
62	104	280	1,055	1,353	1,789	4,047	5,455
19	29	2,525	525	1,603	361	1,420	2,510
60	143	285	1,002	1,072	2,135	2,454	5,957
12	27	25	714	1,477	949	525	1,152
23	41	45	254	432	327	672	1,586
2	5	..	..	50	..	292	220
13	27	30	46	159	370	593	1,227
16	50	60	291	70	546	801	2,032
..	2	..	..	..	..	..	85
..	1	..	50	..	..	..	100
2	4	30	51	30	51	105	168
4	16	20	25	133	456	245	562
2	8	..	..	..	60	85	198
740	1,364	39,359	30,111	35,941	30,579	38,576	71,196

## DIRECTORS

\*L. RASMINSKY, C.B.E., OTTAWA, ONT.

\*J. R. BEATTIE, OTTAWA, ONT.

A. C. ASHFORTH, TORONTO, ONT.

\*H. BARIBEAU, LEVIS, QUE.

N. H. DeBLOIS, CHARLOTTETOWN, P.E.I.

FREDERICK FIELD, F.C.A., VANCOUVER, B.C.

C. HEDLEY FORBES, FREDERICTON, N.B.

\*C. BRUCE HILL, M.C., ST. CATHARINES, ONT.

S. N. MacEACHERN, SASKATOON, SASK.

J. RENE OUIMET, MONTREAL, QUE.

L. PATRICK, C.B.E., CALGARY, ALTA.

\*J. A. ROBERTS, D.S.O., OTTAWA, ONT.

DANIEL SPRAGUE, C.A., WINNIPEG, MAN.

\*K. W. TAYLOR, C.B.E., OTTAWA, ONT.

*\*Member of the Executive Committee*

## OFFICERS

### HEAD OFFICE, OTTAWA

L. RASMINSKY, C.B.E.	<i>President</i>
L. F. MUNDY	<i>Secretary</i>
P. D. SMITH	<i>Deputy Secretary</i>
A. J. NORTON	<i>Chief Accountant</i>
E. METCALFE	<i>Internal Auditor</i>

### GENERAL MANAGER'S OFFICE, MONTREAL

D. G. MARBLE, C.B.E.	<i>General Manager</i>
A. N. H. JAMES	<i>Assistant General Manager</i>
C. E. DEATHE	<i>Administrative Assistant</i>
G. D. COATES	<i>Administrative Assistant</i>
K. K. HAY-ROE	<i>Administrative Assistant</i>
H. M. SCOTT	<i>Chief, Legal Department</i>
W. L. MUNDY	<i>Chief, Insurance Department</i>
G. R. ELLIOTT	<i>Chief, Branch Credits Department</i>
H. DUNCAN	<i>Chief, Loan Accounting Department</i>
P. F. LIMOGES	<i>Deputy Secretary</i>
C. I. STUART	<i>Deputy Secretary</i>
E. C. SCOTT	<i>Personnel Officer</i>
J. W. SIVERS	<i>Information Officer</i>

## REGIONAL OFFICES

ST. JOHN'S.....	85 Elizabeth Avenue N. J. WEEDMARK, <i>Manager</i>
HALIFAX.....	123 Hollis Street E. A. BELL, <i>Supervisor</i>
SAINT JOHN.....	75 Prince William Street R. H. WHEELER, <i>Supervisor</i>
QUEBEC.....	925 Chemin St. Louis J. J. PANNETON, <i>Manager</i>
MONTREAL.....	901 Victoria Square E. R. CLARK, <i>Supervisor</i> J. E. NORDIN, <i>Assistant Supervisor</i> L. VIAU, <i>Assistant Supervisor</i>
OTTAWA.....	350 King Edward Avenue J. HARVEY, <i>Manager</i>

TORONTO.....250 University Avenue  
W. C. STUART, *Supervisor*  
N. P. BRUCE, *Assistant Supervisor*  
J. R. GIBB, *Assistant Supervisor*

HAMILTON.....36 James Street S.  
I. D. MACLAREN, *Manager*

SUDBURY.....45 Elm Street  
W. H. JAY, *Manager*

LONDON.....291 Dundas Street  
C. F. BLANCHER, *Manager*

PORT ARTHUR.....8-A North Cumberland Street  
K. C. A. DAWSON, *Manager*

WINNIPEG.....195 Portage Avenue E.  
H. R. STOKER, *Supervisor*  
K. A. POWERS, *Assistant Supervisor*

REGINA.....1874 Scarth Street  
C. R. T. BINGLEY, *Manager*

EDMONTON.....10010 - 105th Street  
E. G. CAPLING, *Manager*

CALGARY.....320 Seventh Ave. S.W.  
H. J. C. RUSSELL, *Supervisor*  
L. F. SMITH, *Assistant Supervisor*

VANCOUVER.....1112 West Pender Street  
F. M. AYKROYD, *Supervisor*  
J. E. MILLARD, *Assistant Supervisor*  
B. E. CRAWFORD, *Assistant Supervisor*

## INDUSTRIAL DEVELOPMENT BANK AT WORK

THERE IS an underlying aspect of the work of the Bank which is not readily reduced to statistical form but which is apparent to those who have an opportunity to visit enterprises which have been assisted by I.D.B. financing. This is the concrete effect which I.D.B. assistance has had in providing Canadian enterprises with opportunities for the production of real things or the provision of valuable services.

The following photographs made in the establishments of customers of I.D.B. give some impression of the varied activities across the country which its loans have helped to promote.





Marine equipment requires constant maintenance and repair to resist the attack of weather and stress. Owners of marine equipment look for people with the skill and the facilities to do the work properly.



Car washing has been mechanized and streamlined, even though muscle power still provides the finishing touches.





Lumber cut on this gang saw in a West Coast mill is shipped to markets at home and abroad.



The making of ceramic tile is a process nearly as old as time, but today's need for a consistently high quality product with precise dimensions has called for constant improvements to production equipment.





Canada has contributed much to the development of new and more efficient machinery for agriculture. This company is carrying on the tradition successfully both at home and in the export trade. Here cultivator steels are being shotblasted to increase surface hardness.



This machine shop recently designed and shipped an ingenious machine to New Orleans where it will clean millions of Gulf Coast shrimp.



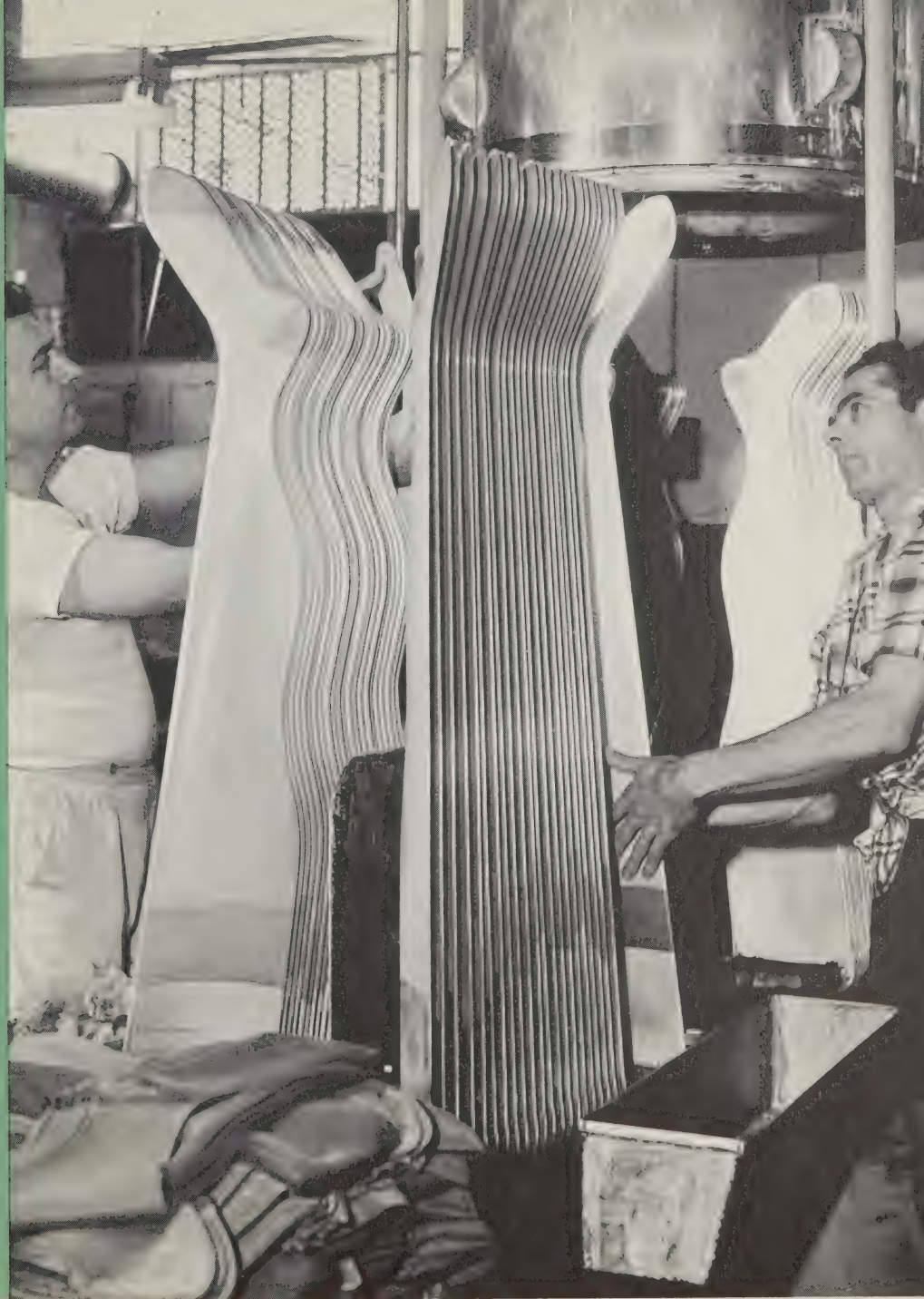


This business began 16 years ago with equipment consisting mainly of hand shovels and wheel barrows. Good management, hard work and careful planning have improved manufacturing methods until the enterprise is now a major source of concrete pipe in its area.



Synthetic packaging materials have brought about a major change in the merchandising of consumer products. This machine prints designs on 350 feet of film per minute before it is formed into plastic bags.





This plant caters to the demands of Canadian women for sheer hosiery. Modern equipment, well trained staff and alert management assist it to operate successfully.



This modern bakery, run by a new-Canadian family, produces one million packages of cookies a year in 25 different varieties. It also makes pumpernickel bread from a Dutch recipe.





This family meat-processing business, which has been operating for over a quarter of a century, produces smoked, fresh, and cooked meats to suit the varied tastes of consumers. To do this successfully has required constant improvements in plant and equipment.









CA1

FN130

R27

Government  
Publications



# INDUSTRIAL DEVELOPMENT BANK

*Annual Report to the Parliament of Canada*



REPORT OF THE PRESIDENT AND  
STATEMENT OF ACCOUNTS  
FISCAL YEAR

1961/1962



INDUSTRIAL  
DEVELOPMENT  
BANK



HEAD OFFICE

OTTAWA

December 7th, 1962.

The Hon. George C. Nowlan, P.C., Q.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1962, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

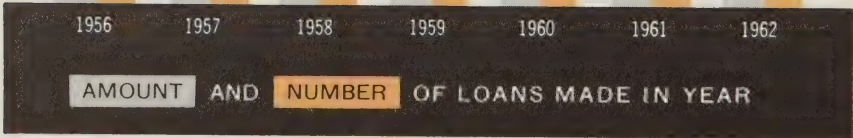
A handwritten signature in dark ink, reading "L. Rasminsky". The signature is written in a cursive style with a large, stylized "L" and a long, sweeping underline.

President.



HIGHLIGHTS

FISCAL YEARS ENDING SEPT. 30	1960	1961	1962
Number of loans made in year	740	1,365	2,085
Amount of loans made in year*	\$39	\$71	\$92
Number of customers at year-end	1,966	2,768	4,083
Amounts outstanding or committed at year-end*	\$120	\$154	\$204
*IN MILLIONS			



# INDUSTRIAL DEVELOPMENT BANK



## EIGHTEENTH ANNUAL REPORT OF THE PRESIDENT — 1962

The fiscal year ended September 30th, 1962, was one of substantial further expansion. Towards the end of fiscal 1961 the Industrial Development Bank Act was amended by Parliament and the Bank's field of lending was further enlarged to the point where almost all types of businesses became eligible including retail and wholesale trade, hotels, motels and the provision of recreational facilities and professional services. This expansion of the Bank's terms of reference together with the increase in the number of branches from thirteen to twenty-two in the past two years has resulted in a growing awareness on the part of the public of the existence and scope of the Bank's facilities.

During fiscal 1962 the Bank made 2,085 loans, which was 53 per cent greater than the number made in fiscal 1961 and 182 per cent more than the number made in fiscal 1960. In dollar amount, loans made in fiscal 1962 totalled \$92 millions, which was 29 per cent more than in fiscal 1961 and 138 per cent more than in fiscal 1960.

In the eighteen years since it was established by Parliament, the Bank has made more than 8,100 loans, amounting to \$462 millions, to over 6,200 Canadian businesses. Of these loans, 26 per cent by number and 20 per cent by amount were made in the fiscal year just ended.

About one-third of the loans made during the year were authorized for businesses which became eligible for IDB financial assistance as a result of the 1961 amendment to the Industrial Development Bank Act referred to

## REPORT OF THE PRESIDENT (*Continued*)

above. Loans to all non-manufacturing types of businesses, which were not eligible under the Bank's original terms of reference, accounted for 61 per cent of all loans made in fiscal 1962 compared to 36 per cent in fiscal 1961. A classification of loans by types of businesses in each of the last six years appears on pages 18 and 19.

The proportion of smaller loans made by the Bank has been growing steadily in recent years and, in fiscal 1962, 51 per cent of new loans were for \$25,000 or less. The average size of loans approved during fiscal 1962 dropped to \$44,000 from a level of about \$52,000 in each of the three previous fiscal years. A classification by size of loans made in each of the last six years appears on pages 16 and 17.

While loans for \$25,000 or less represent one-half of the total number made by the Bank and thus account for a large proportion of the work of the Bank, they represent only 17 per cent of the total dollar amount of loans authorized and provide only a small proportion of the Bank's revenues. Despite the relatively high cost to the Bank of smaller loans, no approach is declined on the grounds that the effort to investigate it and reach a decision would be disproportionate to the financial return which might be earned. The Industrial Development Bank gives just as much attention to small loans and to borderline proposals as to requests for larger amounts which would provide a greater financial return.

While smaller loans predominated, during the year the Bank also made 162 loans for amounts over \$100,000 and these accounted for \$30.7 millions of the total of \$92 millions.

The total amount of loans outstanding, plus loans approved but not yet disbursed, passed the \$200 million mark during September and at the fiscal year-end was \$204 millions, having increased some \$50 millions during the year. The number of customers with loans outstanding or committed rose from 2,768 at the end of fiscal 1961 to 4,083 at the end of fiscal 1962.

The provincial distribution of loans made in each of the past six years is recorded on pages 16 and 17. As shown in the table below, there is a fairly close correlation between the regional distribution of loans made by the

IDB and the regional distribution of economic activity as measured by total employment and by capital investment expenditures.

Regional Distribution of:

<u>Region</u>	<u>IDB Loan Approvals</u>		<u>Total</u>	<u>Capital</u>
	<u>Fiscal 1962</u>		<u>Employment</u>	<u>Investment</u>
	<u>Number</u>	<u>Amount</u>	<u>Fiscal</u>	<u>Forecast</u>
			<u>1962</u>	<u>1962</u>
Atlantic.....	11%	8%	9%	8%
Quebec.....	20	26	27	24
Ontario.....	39	37	37	36
Prairies.....	21	19	18	21
B.C., Yukon and N.W.T.....	9	10	9	11
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The \$92 millions of loans authorized by the IDB in fiscal 1962 were made to help finance customers' programmes totalling \$123.5 millions, summarized as follows:—

	<u>Millions</u>	<u>Per cent</u>
	<u>of Dollars</u>	<u>of Total</u>
Investment in Land and Buildings.....	\$ 57.3	46.4%
Investment in Machinery and Equipment.....	34.5	27.9
Increase in Working Capital*.....	15.4	12.5
Refinancing of Mortgages (mainly realty).....	5.0	4.1
Refinancing of Suppliers' Liens.....	1.9	1.5
Refinancing of Other Liens.....	3.3	2.7
Refinancing of Other Obligations.....	3.1	2.5
Financing of Changes in Ownership.....	1.5	1.2
All Other Purposes.....	1.5	1.2
	<u>\$123.5</u>	<u>100.0%</u>

\*including replenishment of working capital depleted by recent capital expenditures.

## REPORT OF THE PRESIDENT (*Continued*)

Repayment of an IDB loan is usually by monthly instalments over a period of years, with payments commencing some months — about five months on the average — after authorization, so that the borrower will have an opportunity to benefit from the programme before repayment commences. For loans authorized in fiscal 1962, the period of repayment ranged up to fifteen years and averaged nearly seven years.

## ORGANIZATION

The number and location of the Bank's branches reflect the desire to provide as prompt and convenient service to customers as is possible consistent with economical operations — in considering which the Bank must, of course, have regard for the volume of existing or prospective lending business in a particular area. Three branches were opened in 1960, three in 1961 and six in 1962 — at Moncton, Trois-Rivières, Kitchener-Waterloo, Saskatoon, Kelowna and Victoria. The Bank now has 22 branches from Newfoundland to Vancouver Island as listed on pages 22 and 23.

The growing volume of the Bank's lending and new branch openings necessitated additions to the staff, which rose by 70 in fiscal 1962 to a total of 472. While the staff increased by 88 per cent during the two years to September 30th last, the number of loans approved in fiscal 1962 was 182 per cent higher than in 1960.

The rapid growth which has taken place in recent years, both in volume of loans and in the size of the organization, prompted the Bank to undertake a review of its organizational structure and internal operating procedures during the year. Management consultants were retained for this purpose and certain changes in organization and procedures which were found to be desirable as a result of this review are now being implemented. On the basis of their observations, the consultants have commented favourably on the efficiency and the enthusiasm of our staff, who have continued to render a high quality of service despite the many problems which have arisen in this period of rapid expansion.



## LOANABLE RESOURCES

The Bank obtains its loanable resources in three forms: share capital, debentures, and the Reserve Fund built up through profits. When the IDB Act was amended in 1961, the authorized share capital of the Bank was increased from \$25 millions to \$50 millions. During fiscal 1962, \$4 millions of this additional authorized capital was drawn down, bringing the issued total to \$30 millions.

During fiscal 1962, the IDB issued debentures for new money and refunding purposes totalling \$52.6 millions, which accounted for 46 per cent of debentures outstanding at year-end. In line with changes in market interest rates generally, the rates applying to these new debentures were higher than in the previous year.

At the end of fiscal 1962 debentures accounted for 70 per cent of total funds raised as compared with 22 per cent at the end of fiscal 1955. Share capital and reserves as sources of funds had declined to 30 per cent of the total at the end of fiscal 1962 as compared with 78 per cent seven years before. This change in the structure of the Bank's sources of funds has steadily increased the average cost of money to the IDB and has become a factor of growing importance among those which determine the net income of the Bank.

## STATEMENT OF PROFIT AND LOSS

The profit and loss statement for 1962 and the comparative statement for 1961 appear on page 12.

The income of the Bank is derived almost entirely from interest on loans; other income represented only 3 per cent of the total in fiscal 1962. Income for the year was 31 per cent higher than in the previous fiscal year. This was due chiefly to the larger amount of loans and investments outstanding, which totalled \$165 millions at year-end compared to \$123 millions at the end of fiscal 1961. The interest rate which the IDB normally applies to new loans was raised from 6½% to 7% in September 1962.



## REPORT OF THE PRESIDENT (*Continued*)

The substantial increase in interest paid on debentures — from \$3.0 millions in fiscal 1961 to \$4.5 millions in fiscal 1962 — reflected both the larger amount of debentures outstanding and higher rates of interest. For the reason mentioned at the end of the preceding section, debenture interest has been growing steadily, not only in dollar amount but also as a percentage of income. From 12 per cent of income in fiscal 1956, it rose to 41 per cent in 1961 and to 46 per cent in 1962, and this has naturally brought about a corresponding reduction of profits expressed as a percentage of income.

The increase of \$902,000 in salaries was chiefly due to the increase in the average number of staff from 304 in fiscal 1961 to 442 in fiscal 1962. The increase in other operating expenses reflected the enlarged volume of the Bank's operations and, in particular, the opening of six branches.

During the recent period of rapid growth in IDB lending, the expansion in its interest income has unavoidably lagged behind the increase in expenditure for the additional staff, premises and other facilities which were required to make possible such a major increase in the volume of its lending.

The net profit of \$415,000 remaining after provision of \$650,000 for bad and doubtful debts was transferred to the Reserve Fund, increasing it to \$15,925,000.

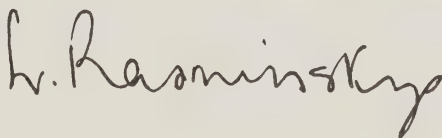
## RESERVE FOR LOSSES

Bad debts totalling \$267,000 were written off in fiscal 1962 against the Reserve for Losses accumulated in prior years, while \$17,000 previously written off was recovered. Over the eighteen years to the end of fiscal 1962, net write-offs have amounted to \$1,681,000.

The amount of \$650,000 transferred from 1962 operating profit raised the Reserve for Losses from \$2,700,000 to \$3,100,000 representing 1.52 per cent of loans outstanding or committed at the fiscal year-end.

In July, 1962, Mr. D. G. Marble who had served the Bank in the capacity of General Manager since 1953, retired from that post. Prior to Mr. Marble's appointment as General Manager, he had been the Secretary of the Bank of Canada and served as Secretary of the Industrial Development Bank from the commencement of its operations in 1944. I would like to record the Directors' deep appreciation of the major contribution made by Mr. Marble to the successful operation and the expansion of the Bank. I am happy to say that he will continue to be associated with the Bank in the role of Special Consultant.

Mr. A. N. H. James formerly Assistant General Manager who has been with the Bank since its formation, was appointed to succeed Mr. Marble as General Manager.

A handwritten signature in dark ink, reading "L. Rasminsky". The signature is written in a cursive style with a large, prominent initial "L" and a long, sweeping underline.

PRESIDENT.

# INDUSTRIAL DE STATEMENT OF ASSETS AND LIA WITH COMPARATIVE FIGURES

## ASSETS

	1962	1961
Cash on hand and deposits with other banks..	\$ 80,847	\$ 61,962
Loans and investments.....	\$164,924,615	
Accrued interest.....	<u>717,610</u>	<u>123,791,851</u>
Property held for sale (including agreements for sale).....	16,073	196,494
Guarantees and underwriting agreements (as per contra).....	13,181	47,101
Unamortized discount and premium on debentures.....	1,063,893	700,925
Other assets.....	318,894	213,799
	<u>\$167,135,113</u>	<u>\$125,012,132</u>

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT

# DEVELOPMENT BANK

## LIABILITIES AS AT SEPTEMBER 30, 1962

SEPTEMBER 30, 1961

### LIABILITIES

	1962	1961
Capital —		
Authorized		
500,000 shares par value \$100 each		
Issued and paid up		
300,000 shares (1961 — 260,000 shares) ..	\$ 30,000,000	\$ 26,000,000
Reserve fund .....	15,925,486	15,510,042
Reserve for losses .....	3,100,000	2,700,000
Bonds and debentures out-		
standing .....	\$115,300,000	
Accrued interest .....	<u>2,547,750</u>	<u>117,847,750</u>
		80,571,500
Liabilities under guarantees and underwriting		
agreements .....	13,181	47,101
Other liabilities .....	248,696	183,489
	<u>\$167,135,113</u>	<u>\$125,012,132</u>

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1962 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1962 according to the best of our information and as shown by the books of the bank.

W. R. KAY, F.C.A.  
of Fred Page Higgins & Company

J. H. RENÉ DE COTRET, C.A.  
of René de Cotret, Ferron,  
Nobert & Cie.

Ottawa, October 24, 1962.

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 1962

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED SEPTEMBER 30, 1961

	(\$000)	(\$000)
INCOME	1962	1961
Interest.....	\$9,382	\$7,134
Profit on sale of investments.....	6	128
Sundry.....	304	162
	<u>\$9,692</u>	<u>\$7,424</u>

## EXPENSES

Salaries (1).....	\$2,723	\$1,821
Pension fund, unemployment insurance and group insurance.....	243	154
Other staff expenses (2).....	42	33
Investigation and supervision expenses.....	73	50
Travel and transfer expenses.....	92	76
Rental and other costs — leased premises.....	399	306
Depreciation on equipment.....	58	39
Advertising — public information programme (3).....	143	80
Telephones and telegrams.....	100	53
Office supplies and expenses.....	169	116
Directors' fees.....	13	8
Auditors' fees and expenses.....	17	15
All other operating expenses.....	69	28
Total operating expenses.....	<u>\$4,141</u>	<u>\$2,779</u>
Interest on debentures (including amortization of discount and premium).....	4,486	3,008
Provision for bad and doubtful debts.....	650	444
	<u>\$9,277</u>	<u>\$6,231</u>
Profit transferred to reserve fund.....	<u>\$ 415</u>	<u>\$1,193</u>

(1) The number of staff averaged 442 in 1962 and 304 in 1961.

(2) Includes overtime pay, medical services, and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business".



## RESERVES

### RESERVE FOR LOSSES

Balance, October 1, 1961..... \$ 2,700,000

*Add:*

Recovery of amounts previously written off..... \$ 16,944

Provision for bad and doubtful debts for the year  
ended September 30, 1962..... 649,942      666,886

\$ 3,366,886

*Less:*

Bad debts written off..... 266,886

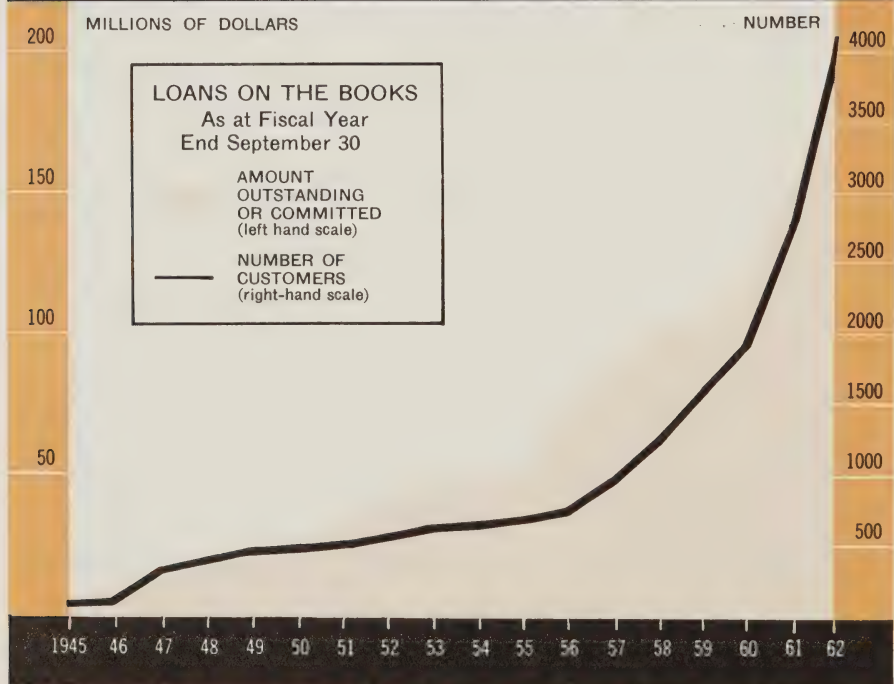
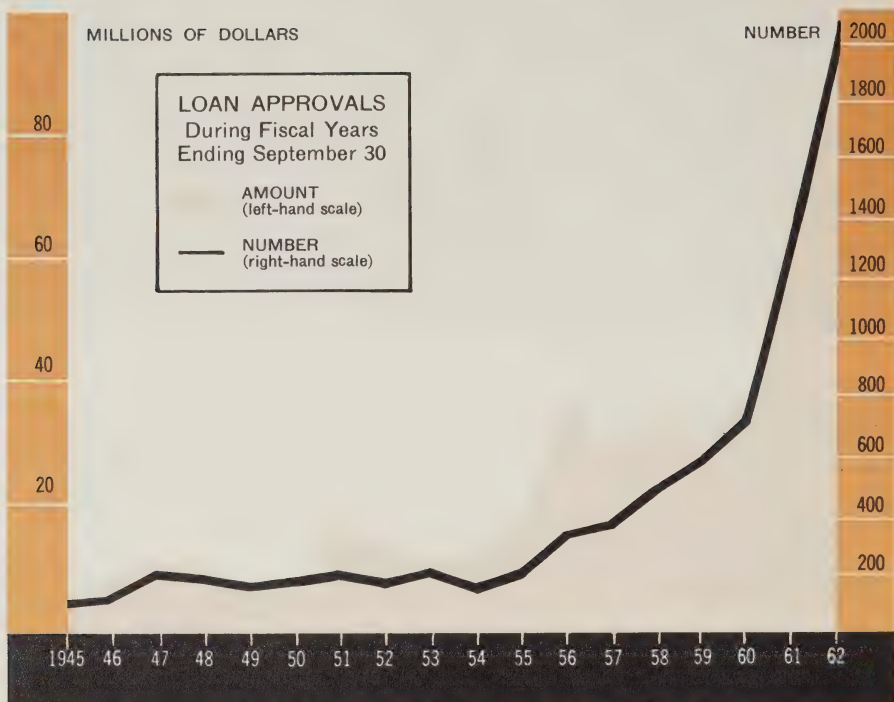
Balance, September 30, 1962..... \$ 3,100,000

### RESERVE FUND

Balance, October 1, 1961..... \$15,510,042

Profit for the year ended September 30, 1962..... 415,444

Balance, September 30, 1962..... \$15,925,486



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1962		Total Authorizations November 1, 1944 to September 30, 1962	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
Newfoundland.....	78	2,601	94	4,646
Prince Edward Island.....	27	646	38	6,374
Nova Scotia.....	140	6,138	204	11,804
New Brunswick.....	166	5,509	260	13,600
Quebec.....	849	54,473	1,409	133,084
Ontario.....	1,564	73,760	2,231	146,164
Manitoba.....	269	12,003	414	26,453
Saskatchewan.....	160	6,711	227	15,717
Alberta.....	421	16,409	574	35,509
British Columbia.....	390	24,210	760	66,832
Yukon, N.W. Territories...	19	1,192	26	2,165
Total.....	4,083	203,652	6,237	462,348

## SUMMARY STATISTICS OF LOANS FOR FISCAL YEARS ENDING SEPTEMBER 30

<i>(Millions of Dollars)</i>	1957	1958	1959	1960	1961	1962
Amounts Drawn Down by Borrowers.....	32.6	31.1	29.3	29.7	47.5	74.3
Repayments by Borrowers..	12.8	14.1	20.4	23.4	27.1	32.6
Amounts Written Off.....	.1	.1	.8	.1	.2	.2
Increase in Amounts Out- standing.....	19.7	16.9	8.1	6.2	20.2	41.5
Amounts Outstanding at Year-End.....	71.7	88.6	96.7	102.9	123.1	164.6
Amounts Not Yet Disbursed on Loans Authorized at Year-End.....	16.4	15.5	12.4	16.9	31.1	39.0
Amounts Outstanding Plus Undisbursed at Year-End	88.1	104.1	109.1	119.8	154.2	203.6
Number of Customers on the Books at Year-End..	1,021	1,321	1,609	1,966	2,768	4,083
Average Amount Outstand- ing Plus Undisbursed per Customer (Thousands of Dollars).....	86	79	68	61	56	50

# LOAN APPROVALS

DURING FISCAL YEARS ENDING SEPTEMBER 30

## CLASSIFICATION BY NEW OR EXISTING BORROWERS

	NUMBER			
	1957	1958	1959	1960
To New Borrowers .....	308	420	438	571
To Existing Borrowers .....	93	151	161	169
Total .....	<u>401</u>	<u>571</u>	<u>599</u>	<u>740</u>

## CLASSIFICATION BY SIZE

\$ 5,000 or less .....	13	20	31	28
Over 5,000 to 25,000 .....	143	223	242	313
Over 25,000 to 50,000 .....	92	127	153	188
Over 50,000 to 100,000 .....	88	121	112	124
Over 100,000 to 200,000 .....	36	46	43	60
Total up to \$200,000 .....	<u>372</u>	<u>537</u>	<u>581</u>	<u>713</u>
Over \$200,000 .....	29	34	18	27
Total .....	<u>401</u>	<u>571</u>	<u>599</u>	<u>740</u>
Average Size .....				

## CLASSIFICATION BY PROVINCE

Newfoundland .....	2	2	7	8
Prince Edward Island .....	1	..	5	8
Nova Scotia .....	15	28	32	28
New Brunswick .....	20	24	27	30
Quebec .....	98	147	140	147
Ontario .....	129	169	193	264
Manitoba .....	19	42	32	37
Saskatchewan .....	7	11	19	28
Alberta .....	28	58	56	76
British Columbia .....	80	89	86	110
Yukon and N. W. Territories .....	2	1	2	4
Total .....	<u>401</u>	<u>571</u>	<u>599</u>	<u>740</u>

AMOUNT (\$000)

1961	1962	1957	1958	1959	1960	1961	1962
1,070	1,730	25,210	26,686	24,150	29,517	53,596	75,922
295	355	4,901	9,255	6,429	9,059	17,640	16,059
1,365	2,085	30,111	35,941	30,579	38,576	71,236	91,981

39	72	31	52	105	121	165	304
578	985	2,392	3,662	3,911	4,905	8,960	15,278
372	526	3,599	4,947	5,939	7,131	14,238	20,414
234	340	6,582	9,047	8,406	9,659	17,610	25,289
105	121	5,526	6,808	6,293	8,748	15,418	17,797
1,328	2,044	18,130	24,516	24,654	30,564	56,391	79,082
37	41	11,981	11,425	5,925	8,012	14,845	12,899
1,365	2,085	30,111	35,941	30,579	38,576	71,236	91,981
.....	.....	75	63	51	52	52	44

21	60	255	31	235	698	754	1,628
4	16	10	....	171	111	70	403
49	61	1,060	1,235	1,355	1,075	2,130	2,840
61	89	1,236	1,399	765	888	2,711	2,491
258	422	7,140	10,449	7,585	9,398	16,884	24,298
538	811	9,079	10,473	9,862	12,388	24,952	33,728
106	143	1,344	2,050	2,065	1,895	5,433	6,417
64	86	858	1,019	978	1,493	3,133	2,938
131	216	1,621	2,796	2,745	3,465	5,990	8,011
128	169	6,933	6,239	4,743	7,057	9,032	8,605
5	12	575	250	75	108	147	622
1,365	2,085	30,111	35,941	30,579	38,576	71,236	91,981



# CLASSIFICATION OF LOAN APPROVALS BY TYPES OF BUSINESSES

DURING FISCAL YEARS ENDING SEPTEMBER 30

	NUMBER			
	1957	1958	1959	1960
Manufacturing:				
Foods and Beverages.....	49	97	82	93
Tobacco and Tobacco Products.....	..	2	..	..
Rubber Products.....	1	2	2	5
Leather Products.....	1	4	5	2
Textile Products (except Clothing).....	12	18	13	12
Clothing (Textiles and Fur).....	17	20	33	25
Wood Products.....	69	72	76	77
Paper Products (including Pulp).....	5	11	6	12
Printing and Allied Industries.....	14	20	26	35
Iron and Steel Products.....	62	67	73	102
(including Machinery and Equipment)				
Transportation Equipment.....	11	26	23	27
Non-Ferrous Metal Products.....	9	6	20	16
Electrical Apparatus and Supplies.....	13	16	12	12
Non-Metallic Mineral Products.....	27	37	34	40
Products of Petroleum and Coal.....	..	1	1	2
Chemical Products.....	12	18	20	24
Miscellaneous Manufacturing Industries...	17	13	16	16
Commercial Air Services.....	13	8	13	10
Warehousing (including Refrigeration).....	10	12	5	12
Other Transportation and Storage.....	18	30	42	61
Electric Power, Gas, Water Utilities.....	..	..	..	..
Mines (incl. Milling) Quarries, Oil Wells....	3	13	6	20
Construction.....	13	32	37	59
Industrial Buildings.....	6	19	13	11
Personal Services.....	4	15	11	23
Forestry.....	..	2	..	2
Wholesale Trade.....	4	4	8	16
Retail Trade.....	6	2	8	18
Education and Health Services.....	..	..	..	..
Recreation Services.....	1	..	..	..
Services to Business Management.....	3	1	2	2
Miscellaneous Services.....	1	3	8	4
Agriculture.....	..	..	4	2
Fishing and Trapping.....	..	..	..	..
Communications.....	..	..	..	..
	<u>401</u>	<u>571</u>	<u>599</u>	<u>740</u>

(Enterprises engaged in more than one type of business are classified according to major activity.)

AMOUNT (\$000)

1961	1962	1957	1958	1959	1960	1961	1962
162	166	2,767	7,076	4,340	5,447	8,669	6,976
..	..	..	200	..	..	..	..
9	2	25	90	38	250	547	47
15	6	10	82	246	115	1,026	463
15	27	1,014	1,726	621	489	933	2,323
49	53	428	737	1,707	837	2,585	2,934
128	130	4,535	5,207	4,740	5,227	7,682	7,592
18	11	530	574	171	803	1,615	407
60	64	386	1,475	1,194	1,223	2,466	2,057
184	163	3,895	3,792	3,124	4,603	8,645	6,657
44	16	354	1,096	795	787	1,456	648
25	4	2,710	147	1,129	664	1,044	138
22	25	848	962	546	531	2,112	1,860
69	66	2,063	3,428	1,497	2,621	6,034	3,097
3	3	..	20	30	40	224	152
28	27	638	1,362	716	942	1,303	1,164
39	45	724	404	1,102	868	1,726	1,394
20	19	3,742	158	891	598	908	1,490
14	11	1,407	921	469	1,203	765	703
103	88	1,055	1,353	1,789	4,013	5,445	4,579
..	2	..	..	..	..	..	80
29	28	525	1,603	361	1,499	2,510	1,418
143	162	1,024	1,047	2,274	2,358	5,957	6,928
27	32	714	1,502	949	480	1,152	1,312
42	269	254	432	327	672	1,596	12,813
5	9	..	125	..	292	220	612
28	152	46	189	380	673	1,287	5,888
52	241	291	70	546	906	2,196	6,895
2	18	..	..	..	..	85	463
1	67	50	..	..	..	100	4,174
4	25	51	30	51	105	168	628
17	34	25	133	486	245	582	1,156
8	106	..	..	60	85	198	4,127
..	1	..	..	..	..	..	8
..	13	..	..	..	..	..	798
1,365	2,085	30,111	35,941	30,579	38,576	71,236	91,981

## DIRECTORS

\*L. RASMINSKY, C.B.E., OTTAWA, ONT.

\*J. R. BEATTIE, OTTAWA, ONT.

A. C. ASHFORTH, TORONTO, ONT.

\*H. BARIBEAU, LEVIS, QUE.

N. H. DeBLOIS, CHARLOTTETOWN, P.E.I.

R. W. DeWOLFE, WOLFVILLE, N.S.

FREDERICK FIELD, F.C.A., VANCOUVER, B.C.

C. HEDLEY FORBES, FREDERICTON, N.B.

\*C. BRUCE HILL, M.C., ST. CATHARINES, ONT.

S. N. MacEACHERN, SASKATOON, SASK.

J. RENÉ OUIMET, MONTREAL, QUE.

L. PATRICK, C.B.E., CALGARY, ALTA.

W. S. PERLIN, ST. JOHN'S, NFLD.

\*J. A. ROBERTS, D.S.O., OTTAWA, ONT.

DANIEL SPRAGUE, C.A., WINNIPEG, MAN.

\*K. W. TAYLOR, C.B.E., OTTAWA, ONT.

*\*Member of the Executive Committee*

## OFFICERS

### HEAD OFFICE, OTTAWA

L. RASMINSKY, C.B.E.	<i>President</i>
L. F. MUNDY	<i>Secretary</i>
P. D. SMITH	<i>Deputy Secretary</i>
A. J. NORTON	<i>Chief Accountant</i>
E. METCALFE	<i>Internal Auditor</i>

### GENERAL MANAGER'S OFFICE, MONTREAL

A. N. H. JAMES	<i>General Manager</i>
E. R. CLARK	<i>Assistant General Manager</i>
C. E. DEATHE	<i>Executive Assistant</i>
G. R. ELLIOTT	<i>Assistant Superintendent, Credit Department</i>
G. D. COATES	<i>Controller</i>
H. M. SCOTT	<i>Chief, Legal Department</i>
W. L. MUNDY	<i>Chief, Insurance Department</i>
H. DUNCAN	<i>Chief, Loan Accounting Department</i>
E. C. SCOTT	<i>Personnel Officer</i>
P. F. LIMOGES	<i>Deputy Secretary</i>
C. I. STUART	<i>Deputy Secretary</i>
J. W. SIVERS	<i>Information Officer</i>
D. G. MARBLE, C.B.E.	<i>Special Consultant</i>

## REGIONAL AND BRANCH OFFICES

ST. JOHN'S.....85 Elizabeth Avenue  
N. J. WEEDMARK, *Manager*

HALIFAX.....123 Hollis Street  
E. A. BELL, *Supervisor*

SAINT JOHN.....75 Prince William Street  
R. H. WHEELER, *Supervisor*

MONCTON.....236 St. George Street  
G. J. HILTZ, *Manager*

### EASTERN REGION

REGIONAL OFFICE, MONTREAL.....901 Victoria Square  
H. R. STOKER, *Regional Supervisor*  
L. VIAU, *Assistant Supervisor*

QUEBEC.....925 Chemin St. Louis  
J. J. PAQUIN, *Manager*

TROIS-RIVIERES.....165 Radisson Street  
G. H. LAURIN, *Manager*

MONTREAL.....901 Victoria Square  
J. E. NORDIN, *Manager*                      J. J. PANNETON, *Manager*  
L. F. SMITH, *Assistant Manager*  
C. C. PINEAU, *Assistant Manager*

OTTAWA.....350 King Edward Avenue  
J. HARVEY, *Manager*



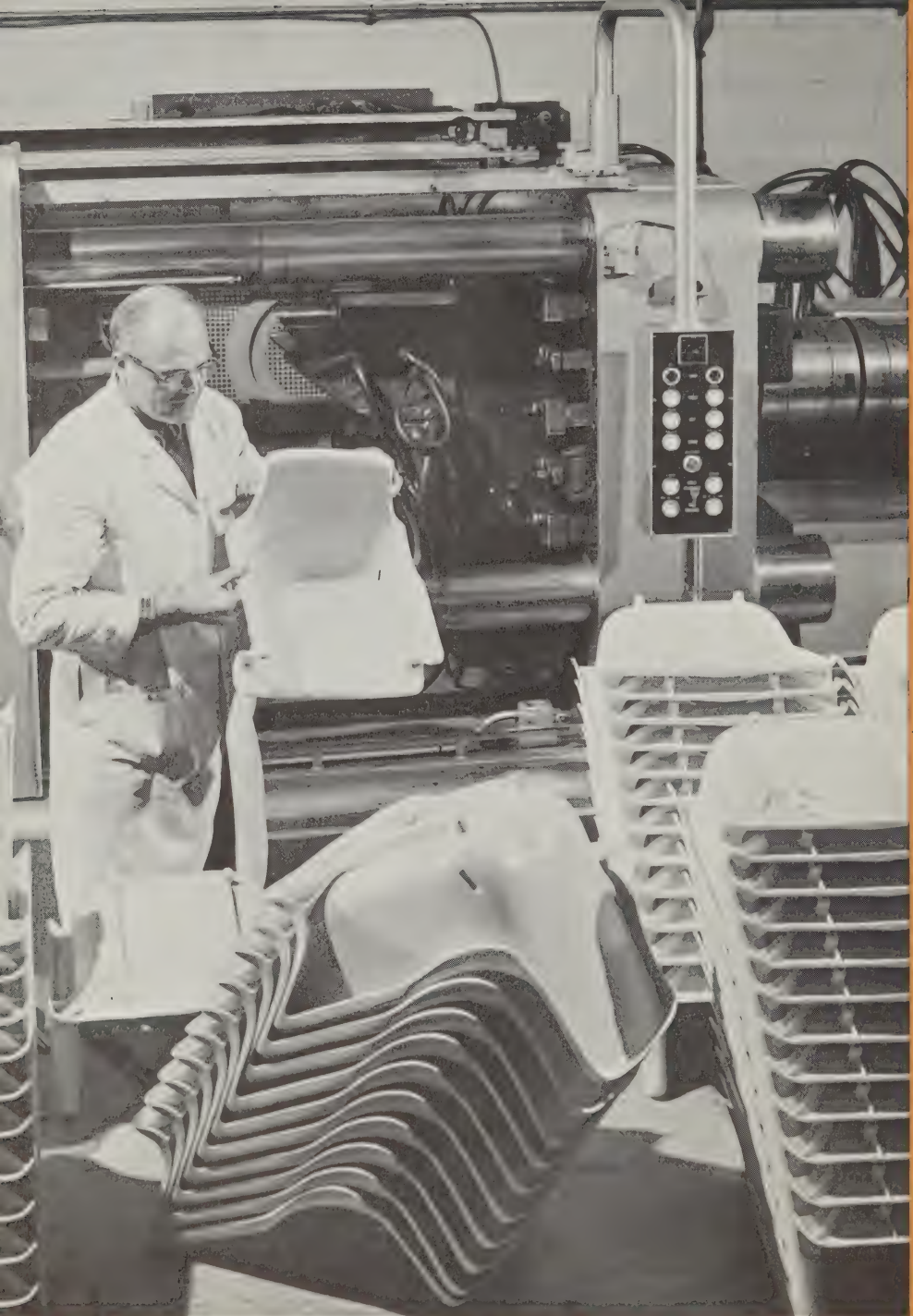
## CENTRAL REGION

REGIONAL OFFICE, TORONTO	250 University Avenue
W. C. STUART, <i>Regional Supervisor</i>	
J. R. GIBB, <i>Assistant Supervisor</i>	
TORONTO	250 University Avenue
K. K. HAY-ROE, <i>Manager</i>	
R. T. MACTAVISH, <i>Assistant Manager</i>	
J. G. WILSON, <i>Assistant Manager</i>	
HAMILTON	36 James Street S.
I. D. MACLAREN, <i>Manager</i>	
KITCHENER-WATERLOO	Waterloo Square Building, Waterloo
W. H. JAY, <i>Manager</i>	
LONDON	291 Dundas Street
C. F. BLANCHER, <i>Manager</i>	
SUDBURY	96 Larch Street, East
R. K. SUUTARI, <i>Manager</i>	
LAKEHEAD	8-A North Cumberland Street, Port Arthur
K. C. A. DAWSON, <i>Manager</i>	
WINNIPEG	360 Broadway Avenue
J. C. INGRAM, <i>Supervisor</i>	
K. A. POWERS, <i>Assistant Supervisor</i>	
REGINA	1874 Scarth Street
C. R. T. BINGLEY, <i>Manager</i>	
SASKATOON	406 - 21st Street, East
F. G. STEWART, <i>Manager</i>	
CALGARY	320 Seventh Ave., S.W.
H. J. C. RUSSELL, <i>Supervisor</i>	
N. P. BRUCE, <i>Assistant Supervisor</i>	
EDMONTON	10010 - 105th Street
E. G. CAPLING, <i>Manager</i>	
KELOWNA	22A The Mall, Shops Capri
C. V. SPIELMAN, <i>Manager</i>	
VANCOUVER	1112 West Pender Street
F. M. AYKROYD, <i>Supervisor</i>	
J. E. MILLARD, <i>Assistant Supervisor</i>	
B. E. CRAWFORD, <i>Assistant Supervisor</i>	
VICTORIA	702 Fort Street
C. B. READY, <i>Manager</i>	

THE PHOTOGRAPHS on the following pages of the facilities of some of IDB's customers will provide an impression of the diversity of enterprises — both as to type and size — which IDB has helped to finance in every part of the country.



Many projects using concrete require carefully washed and grade controlled sand such as is being piled by this belt conveyor.



The plastic chair backs produced by this company are one of several of its products sold in Canada and abroad.





The manufacture of wooden doors and panels requires careful attention to detail and finish.



In this laboratory, analyses and tests are made to maintain control of the quality of cleansers, industrial sealants, and chemicals produced by this company.





This large machine produces sheets of particle board for use by the furniture and construction industries.



Many a hockey player and pleasure skater in Canada and elsewhere wears skates made in this plant.





This firm rebuilds, repairs and sells organs and pianos and enjoys a steady demand for its services.



A wide cattle-raising area in the Prairies is served by this modern all steel feed mill.





This continuous web of paperboard will be converted into cartons and boxes of various sizes and shapes for packaging food and beverages.





Three generations of a family of skilled craftsmen have operated this east coast boat building business for over half a century.



More ski resorts are being equipped with modern types of lifts such as shown in this photograph of an installation in Western Canada.









CAI  
FN 130  
-R27

Government  
Publications

***idb*** **INDUSTRIAL  
DEVELOPMENT BANK**

**REPORT OF THE PRESIDENT AND  
STATEMENT OF ACCOUNTS  
FISCAL YEAR**

**1963**



***idb*** **INDUSTRIAL  
DEVELOPMENT BANK**

HEAD OFFICE

OTTAWA

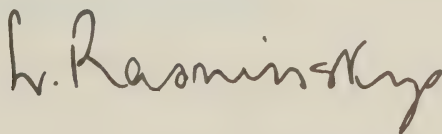
December 9th, 1963

The Hon. Walter L. Gordon, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1963, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. Rasminsky". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

President.

## Highlights

### Amount of loans at September 30, 1963:

Outstanding.....	\$200,000,000
Undisbursed.....	32,000,000
	<hr/>
	\$232,000,000

### Number of customers at fiscal year-end:

Fiscal 1960.....	1,966
Fiscal 1961.....	2,768
Fiscal 1962.....	4,083
Fiscal 1963.....	5,104

### Number of loans approved in fiscal year:

Fiscal 1960.....	740
Fiscal 1961.....	1,365
Fiscal 1962.....	2,085
Fiscal 1963.....	1,986
Since inception in 1944.....	10,131

### Amount of loans approved in fiscal year:

Fiscal 1960.....	\$39,000,000
Fiscal 1961.....	\$71,000,000
Fiscal 1962.....	\$92,000,000
Fiscal 1963.....	\$80,000,000
Since inception in 1944.....	\$542,000,000



# **INDUSTRIAL DEVELOPMENT BANK**

## NINETEENTH ANNUAL REPORT OF THE PRESIDENT—1963

A number of milestones were passed by Industrial Development Bank during the fiscal year ended September 30th, 1963, its nineteenth year of operation:

The amount of loans outstanding reached \$200,000,000.

The number of customers on the books passed the 5,000 mark, having doubled in just over two years.

The amount of loans approved by the Bank since its inception in 1944 passed \$500,000,000.

The number of loans approved by the Bank since 1944 passed the 10,000 mark; 40% of these loans were made during the past two years.

During fiscal 1963 the Bank approved 1,986 loans. This was 45% more than in fiscal 1961 and was within 5% of the record number of loans in fiscal 1962. It will be recalled that towards the end of fiscal 1961 the Industrial Development Bank Act was amended by Parliament to enlarge substantially the Bank's field of lending. The initial surge of applications from businesses not eligible to borrow from the IDB prior to that amendment carried the Bank's volume of new loans to a record level in fiscal 1962 and, after having expanded threefold during the preceding two years, the total number of loan approvals per year levelled off in fiscal 1963 at close to the 1962 figure.

In fiscal 1963 the number of loans made for amounts of \$25,000 or less was actually greater than in fiscal 1962. Loans in this size category have



been increasing from year to year both in number and as a proportion of total loan approvals, while larger loans have been declining as a proportion of total loans.

Size of loans	Fiscal 1961		Fiscal 1962		Fiscal 1963	
	No.	%	No.	%	No.	%
\$25,000 or less . . . . .	617	45%	1,057	51%	1,093	55%
\$25,001 to \$100,000 . . .	606	45	866	41	779	39
Over \$100,000 . . . . .	142	10	162	8	114	6
	<u>1,365</u>	<u>100%</u>	<u>2,085</u>	<u>100%</u>	<u>1,986</u>	<u>100%</u>

The increased proportion of small loans made by the Bank reflects the continuing financial needs of small businesses, which tend to experience more difficulty than larger businesses in obtaining required financing on reasonable terms and conditions. Moreover, the businesses made eligible by the 1961 amendment of the IDB Act — businesses which accounted for approximately 40% of the loans made in fiscal 1963 — typically require smaller amounts than businesses such as manufacturing to which the Bank has been lending since its inception in 1944.

Reflecting the growing importance of small loans in the Bank's lending operations, the average size of loan approved dropped to \$44,100 in fiscal 1962 from approximately \$52,000 in each of the three previous fiscal years, and declined further in fiscal 1963 to \$40,200. While the cost of processing and servicing small loans tends to be high in relation to revenue, the Bank gives as careful consideration to proposals for small amounts as it does in the case of larger loans which would provide a greater financial return.

Other lenders have become more active in the financial field in which the IDB has been engaged, particularly in respect of larger loans, and the Bank welcomes the development of these additional specialized financial services which are becoming available to Canadian businesses.

At the same time it finds there are still many firms desiring medium-sized or larger loans which for various reasons cannot borrow elsewhere on reasonable terms and conditions, whose needs the IDB can meet. The Bank is anxious to do all that it can to further Canadian business development in this area as well as in the case of smaller loans.

The total dollar amount of loans approved in fiscal 1963 was \$80 millions compared to \$71 millions in fiscal 1961 and \$92 millions in fiscal 1962. A distribution by size of the loans made over the past six years appears on pages 14 and 15.

The provincial distribution of loans is also shown on pages 14 and 15. The Bank's policy of providing financing to businesses anywhere in Canada is of particular interest and importance to those enterprises which are located (or are prepared to locate) in areas away from the established metropolitan areas, as financing is generally more difficult to obtain in such localities.

### CUSTOMERS' PROGRAMMES

The \$80 millions of loans made by the IDB in fiscal 1963 helped finance customers' programmes totalling \$117 millions, as follows:

	Fiscal 1963	
	Millions of dollars	Per cent of total
Land and Buildings . . . . .	\$ 48.2	41.2%
Machinery and Equipment . . . . .	34.0	29.1
Increase in Working Capital . . . . .	17.7	15.1
Refinancing of Mortgages (mainly realty) . . . . .	4.0	3.4
Refinancing of Suppliers' Liens . . . . .	1.4	1.2
Refinancing of Other Liens . . . . .	2.1	1.8
Refinancing of Other Obligations . . . . .	1.7	1.5
Financing of Changes in Ownership . . . . .	5.4	4.6
All Other Purposes . . . . .	2.4	2.1
	<u>\$116.9</u>	<u>100.0%</u>

The amount of refinancing involved in customers' programmes was \$4.1 millions less in fiscal 1963 than in the previous year, and this was a factor in the lower total dollar amount of loan approvals in fiscal 1963 compared to 1962.

## ORGANIZATION

A branch office — the Bank's twenty-third — was opened in Windsor, Ont., in April 1963. A sub-branch was established in Sherbrooke, Que., in July; this is open on a regular basis certain days of the month, the aim being to extend service to a centre where, for the present, full-time representation would not be feasible. IDB offices are listed on pages 20 and 21.

As a convenience to businesses located at some distance from the larger centres of population, representatives of the Bank periodically make visits advertised in advance to localities not having an IDB office, for the purpose of interviewing prospective customers. The number of such visits was further increased in fiscal 1963.

Reflecting the continued expansion of the Bank's activities in respect of the number and amount of loans on the books as well as in the rate of new loan approvals, the number of staff rose by 42 in fiscal 1963 to a total of 514. The effectiveness of an organization like the IDB depends to an unusual extent on its staff and the Bank is fortunate in the calibre of its personnel and the initiative they have shown in furthering the Bank's objective of service to the Canadian business community.

## FINANCIAL STATEMENTS

The year-end balance sheets and the income, expense and profit statements for fiscal years 1962 and 1963 appear on pages 8, 9 and 10.

Loan disbursements totalled \$74 millions during the year, principal repayments of \$38 millions were received, and loans outstanding rose by \$36 millions to \$200 millions at year-end. In order to finance this increase in its loans, the Bank's debentures outstanding were increased

during the year from \$115,300,000 to \$147,600,000, and an additional \$3,000,000 of share capital was issued.

Income was 30% higher in fiscal 1963 than in the previous year, due to the larger amount of loans outstanding. The standard rate of interest normally charged on new loans remained unchanged during the year at 7%.

Salaries rose by 15% reflecting mainly the increase in staff referred to under the heading "Organization". Operating expenses other than salaries rose by 7%. A major item in the latter increase occurred in respect of leased premises; total rental expenses in fiscal 1963 were higher than in fiscal 1962 due to the opening of six branch offices in the second half of fiscal 1962 and one branch in 1963.

The cost of outstanding debentures was 46% higher in fiscal 1963 than in the previous year, and amounted to 52% of income compared to 46% in 1962 and 41% in 1961.

As shown by the Reserve for Losses statement on page 11, during fiscal 1963 \$189,000 was written off against the Reserve accumulated in prior years and \$60,000 previously written off was recovered. The Reserve for Losses was increased from \$3,100,000 at the beginning of the fiscal year to \$3,700,000 at year-end, representing 1.59% of loans outstanding or committed at that time. The current Reserve together with total net write-offs of \$1,814,000 is equivalent to 1.27% of total disbursements made by the Bank since the commencement of operations.

The profit for the year amounted to \$693,000 compared to \$415,000 in fiscal 1962, after deducting provision for bad and doubtful debts amounting to \$729,000 in 1963 and \$650,000 in 1962.

As required by the IDB Act, the 1963 profit of \$693,000 was added to the Reserve Fund, increasing it to \$16,618,000.

***idb* INDUSTRIAL  
DEVELOPMENT BANK**

*Statement of*

ASSETS	1963	1962
Cash on hand and deposits with other banks... \$	17,831	\$ 80,847
Loans and investments..... \$200,891,660		
Accrued interest..... 910,931	201,802,591	165,642,225
Property held for sale (including agreements for sale).....	96,649	16,073
Guarantees and underwriting agreements (as per contra).....	20,000	13,181
Unamortized discount and premium on debentures.....	2,213,545	1,063,893
Other assets.....	419,729	318,894
	<u>\$204,570,345</u>	<u>\$167,135,113</u>

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT



# Assets and Liabilities as at September 30, 1963

WITH COMPARATIVE FIGURES AT SEPTEMBER 30, 1962

LIABILITIES	1963	1962
Capital —		
Authorized		
500,000 shares par value \$100 each		
Issued and paid up		
330,000 shares (1962 — 300,000 shares)...	\$ 33,000,000	\$ 30,000,000
Reserve fund .....	16,618,446	15,925,486
Reserve for losses .....	3,700,000	3,100,000
Debentures outstanding .....	\$147,600,000	
Accrued interest .....	3,290,000	117,847,750
Liabilities under guarantees and underwriting agreements .....	20,000	13,181
Other liabilities .....	341,899	248,696
	<u>\$204,570,345</u>	<u>\$167,135,113</u>

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1963 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1963 according to the best of our information and as shown by the books of the bank.

J. H. RENÉ DE COTRET, C.A.  
of René de Cotret, Ferron,  
Nobert & Cie.

T. C. KINNEAR, F.C.A.  
of Price Waterhouse & Co.

Ottawa, November 4, 1963.

# **idb** INDUSTRIAL DEVELOPMENT BANK

## *Statement of Income, Expense and Profit for the year ended September 30, 1963*

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED SEPTEMBER 30, 1962

	(\$000) 1963	(\$000) 1962
<b>INCOME</b>		
Interest.....	\$12,240	\$9,382
Profit on sale of investments.....	15	6
Sundry.....	374	304
	<u>\$12,629</u>	<u>\$9,692</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> .....	\$ 3,135	\$2,723
Pension fund, unemployment insurance and group insurance.....	232	243
Other staff expenses <sup>(2)</sup> .....	43	42
Investigation and supervision expenses.....	82	73
Travel and transfer expenses.....	130	92
Rental and other costs — leased premises.....	435	399
Depreciation on equipment.....	68	58
Advertising.....	85	84
Other public information <sup>(3)</sup> .....	39	59
Telephone and telegrams.....	117	100
Office supplies and expenses.....	173	169
Directors' fees.....	12	13
Auditors' fees and expenses.....	17	17
All other operating expenses.....	83	69
Total operating expenses.....	<u>\$ 4,651</u>	<u>\$4,141</u>
Interest on debentures (including amortization of discount and premium).....	6,556	4,486
Provision for bad and doubtful debts.....	729	650
	<u>\$11,936</u>	<u>\$9,277</u>
Profit transferred to reserve fund.....	<u>\$ 693</u>	<u>\$ 415</u>

(1) The number of staff averaged 495 in 1963 and 442 in 1962.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc., and in fiscal 1962 amortization of film about operations of the IDB.

## Reserves

### RESERVE FOR LOSSES

(\$000)

Balance, October 1, 1962..... \$ 3,100

#### Add:

Recovery of amounts previously written off..... \$ 60

Provision for bad and doubtful debts for the year ended

September 30, 1963..... 729 789

\$ 3,889

#### Less:

Bad debts written off..... 189

Balance, September 30, 1963..... \$ 3,700

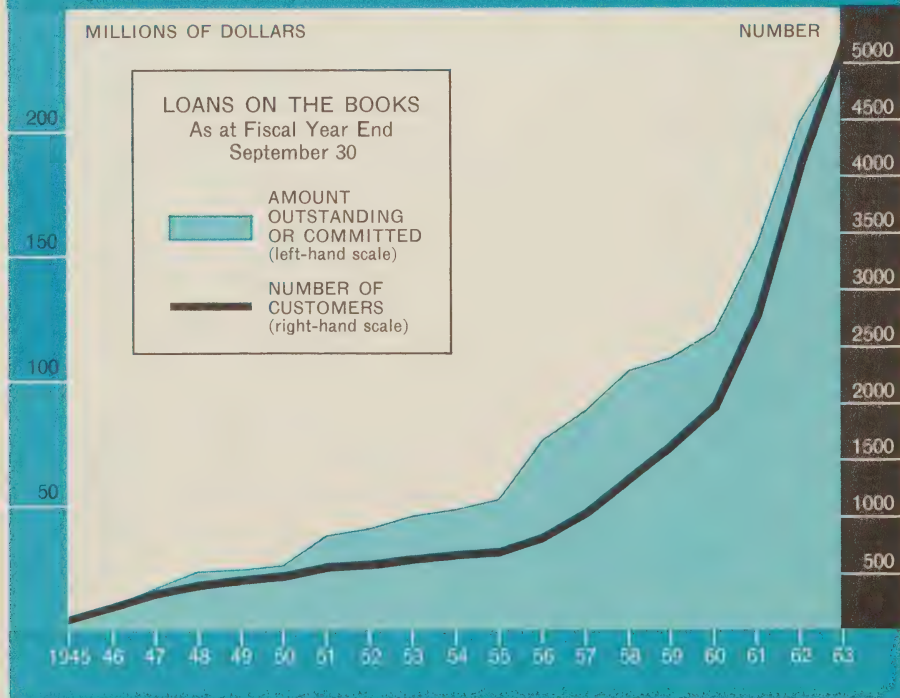
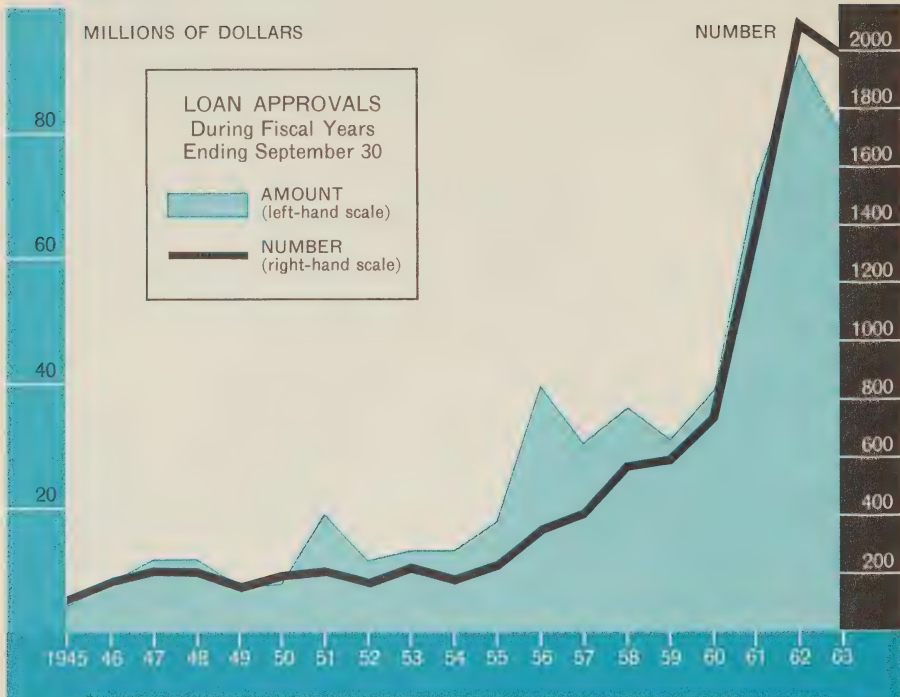
### RESERVE FUND

(\$000)

Balance, October 1, 1962..... \$15,925

Profit for the year ended September 30, 1963..... 693

Balance, September 30, 1963..... \$16,618



# PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1963		Total Authorizations November 1, 1944 to September 30, 1963	
	Number of Businesses	Amounts Outstanding or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland.....	113	3,506	141	6,178
Prince Edward Island.....	34	799	47	6,679
Nova Scotia.....	163	7,050	236	13,685
New Brunswick.....	191	5,832	309	15,876
Quebec.....	1,038	65,229	1,693	155,645
Ontario.....	1,884	82,311	2,743	174,023
Manitoba.....	371	14,886	544	32,111
Saskatchewan.....	211	7,166	293	18,061
Alberta.....	614	19,887	830	43,825
British Columbia.....	460	24,011	897	73,559
Yukon, N.W. Territories....	25	1,379	36	2,517
Total.....	5,104	232,056	7,769	542,159

*idb*

## SUMMARY STATISTICS OF LOANS

FOR FISCAL YEARS ENDING SEPTEMBER 30

(Millions of Dollars)	1958	1959	1960	1961	1962	1963
Amounts drawn down by borrowers.....	31.1	29.3	29.7	47.5	74.3	74.0
Repayments by borrowers...	14.1	20.4	23.4	27.1	32.6	38.2
Amounts written off (net)...	.1	.8	.1	.2	.2	.1
Increase in amounts out- standing.....	16.9	8.1	6.2	20.2	41.5	35.7
Amounts outstanding at year- end.....	88.6	96.7	102.9	123.1	164.6	200.3
Amounts not yet disbursed at year-end on loans author- ized.....	15.5	12.4	16.9	31.1	39.0	31.7
Amounts outstanding plus undisbursed at year-end...	104.1	109.1	119.8	154.2	203.6	232.1
Number of customers on the books at year-end.....	1,321	1,609	1,966	2,768	4,083	5,104
Average amount outstanding plus undisbursed per cus- tomer (thousands of dollars).....	79	68	61	56	50	45



# Loan Approvals

*During Fiscal Years  
Ending September 30*

## CLASSIFICATION BY NEW

### NUMBER

	1958	1959	1960	1961
To New Borrowers .....	420	438	571	1,070
To Existing Borrowers .....	151	161	169	295
Total .....	<u>571</u>	<u>599</u>	<u>740</u>	<u>1,365</u>

## CLASSIFICATION BY SIZE:

\$ 5,000 or less .....	20	31	28	39
Over 5,000 to 25,000 .....	223	242	313	578
Over 25,000 to 50,000 .....	127	153	188	372
Over 50,000 to 100,000 .....	121	112	124	234
Over 100,000 to 200,000 .....	46	43	60	105
Total up to \$200,000 .....	<u>537</u>	<u>581</u>	<u>713</u>	<u>1,328</u>
Over \$200,000 .....	34	18	27	37
Total .....	<u>571</u>	<u>599</u>	<u>740</u>	<u>1,365</u>
Average Size .....				

## CLASSIFICATION BY PROV

Newfoundland .....	2	7	8	21
Prince Edward Island .....	—	5	8	4
Nova Scotia .....	28	32	28	49
New Brunswick .....	24	27	30	61
Quebec .....	147	140	147	258
Ontario .....	169	193	264	538
Manitoba .....	42	32	37	106
Saskatchewan .....	11	19	28	64
Alberta .....	58	56	76	131
British Columbia .....	89	86	110	128
Yukon and N. W. Territories .....	1	2	4	5
Total .....	<u>571</u>	<u>599</u>	<u>740</u>	<u>1,365</u>

# R EXISTING BORROWERS:

## AMOUNT (\$000)

1962	1963	1958	1959	1960	1961	1962	1963
1,730	1,532	26,686	24,150	29,517	53,596	75,922	61,020
355	454	9,255	6,429	9,059	17,640	16,059	18,791
<u>2,085</u>	<u>1,986</u>	<u>35,941</u>	<u>30,579</u>	<u>38,576</u>	<u>71,236</u>	<u>91,981</u>	<u>79,811</u>
72	100	52	105	121	165	304	431
985	993	3,662	3,911	4,905	8,960	15,278	15,113
526	476	4,947	5,939	7,131	14,238	20,414	18,324
340	303	9,047	8,406	9,659	17,610	25,289	22,737
121	84	6,808	6,293	8,748	15,418	17,797	12,249
2,044	1,956	24,516	24,654	30,564	56,391	79,082	68,854
41	30	11,425	5,925	8,012	14,845	12,899	10,957
<u>2,085</u>	<u>1,986</u>	<u>35,941</u>	<u>30,579</u>	<u>38,576</u>	<u>71,236</u>	<u>91,981</u>	<u>79,811</u>
.....	63	51	52	52	44	40	

# CE:

60	52	31	235	698	754	1,628	1,531
16	12	—	171	111	70	403	305
61	47	1,235	1,355	1,075	2,130	2,840	1,881
89	70	1,399	765	888	2,711	2,491	2,276
423	395	10,449	7,585	9,398	16,884	24,340	22,520
810	676	10,473	9,862	12,388	24,952	33,686	27,902
143	160	2,050	2,065	1,895	5,433	6,417	5,657
86	78	1,019	978	1,493	3,133	2,938	2,344
216	305	2,796	2,745	3,465	5,990	8,011	8,316
169	181	6,239	4,743	7,057	9,032	8,605	6,727
12	10	250	75	108	147	622	352
<u>2,085</u>	<u>1,986</u>	<u>35,941</u>	<u>30,579</u>	<u>38,576</u>	<u>71,236</u>	<u>91,981</u>	<u>79,811</u>

## NUMBER

	1958	1959	1960	1961
Manufacturing:				
Foods and Beverages.....	97	82	93	159
Tobacco and Tobacco Products.....	2	..	..	..
Rubber Products.....	2	2	5	9
Leather Products.....	4	5	2	15
Textile Products (except Clothing).....	18	13	12	15
Clothing (Textiles and Fur).....	20	33	25	49
Wood Products.....	73	75	77	127
Paper Products (including Pulp).....	11	6	12	18
Printing and Allied Industries.....	20	25	35	59
Iron and Steel Products.....	66	78	102	187
(including Machinery and Equipment)				
Transportation Equipment.....	26	22	26	43
Non-Ferrous Metal Products.....	6	17	16	22
Electrical Apparatus and Supplies.....	16	11	12	22
Non-Metallic Mineral Products.....	37	34	40	67
Products of Petroleum and Coal.....	1	1	2	3
Chemical Products.....	17	19	24	28
Miscellaneous Manufacturing Industries.....	13	17	16	38
Commercial Air Services.....	8	13	10	20
Warehousing (including Refrigeration).....	12	5	12	13
Other Transportation and Storage.....	30	42	61	103
Electric Power, Gas, Water Utilities.....	..	..	..	..
Mines (incl. Milling) Quarries, Oil Wells.....	13	6	20	31
Construction.....	32	37	59	143
Industrial Buildings.....	20	13	12	28
Personal Services.....	15	11	23	42
Forestry.....	2	..	2	5
Wholesale Trade.....	4	9	16	31
Retail Trade.....	2	8	18	53
Education and Health Services.....	..	..	..	2
Recreation Services.....	..	..	..	1
Services to Business Management.....	1	2	2	4
Miscellaneous Services.....	3	9	4	17
Agriculture.....	..	4	2	11
Fishing and Trapping.....	..	..	..	..
Communications.....	..	..	..	..
(Enterprises engaged in more than one type of business are classified according to major activity.)	571	599	740	1,365

# Loan Approvals by Types of Businesses

DURING FISCAL YEARS ENDING SEPTEMBER 30

		AMOUNT (\$000)					
1962	1963	1958	1959	1960	1961	1962	1963
166	162	7,076	4,340	5,447	8,625	6,976	7,626
..	..	200	..	..	..	..	..
2	7	90	38	250	547	47	208
6	6	82	246	115	1,026	463	372
27	26	1,726	621	489	933	2,323	1,695
53	45	737	1,707	837	2,585	2,934	1,446
130	113	5,307	4,725	5,227	7,657	7,592	6,331
11	18	574	171	803	1,615	407	1,430
64	46	1,475	1,169	1,223	2,415	2,058	2,082
164	167	3,692	3,271	4,603	8,905	6,701	8,055
16	25	1,096	765	775	1,444	648	847
3	7	147	1,055	664	784	93	296
25	13	962	502	531	2,112	1,860	566
66	54	3,428	1,497	2,621	5,930	3,097	2,248
3	..	20	30	40	224	152	..
27	26	1,277	696	942	1,268	1,164	1,522
45	56	404	1,122	868	1,681	1,394	2,298
20	12	158	891	598	908	1,497	384
11	12	921	469	1,203	745	703	1,222
88	92	1,353	1,789	4,012	5,445	4,579	4,792
2	2	..	..	..	..	80	63
28	16	1,603	361	1,500	2,614	1,418	550
162	123	1,047	2,275	2,358	5,957	6,928	3,877
32	32	1,587	949	492	1,232	1,312	1,377
269	261	432	327	672	1,596	12,813	10,022
9	6	125	..	292	220	612	77
152	116	189	395	673	1,383	5,888	4,179
240	226	70	546	906	2,208	6,888	6,219
18	10	..	..	..	85	463	181
67	59	..	..	..	100	4,174	2,662
25	21	30	51	105	168	628	631
34	39	133	511	245	582	1,156	913
106	175	..	60	85	242	4,127	4,809
1	6	..	..	..	..	8	455
13	7	..	..	..	..	798	376
2,085	1,986	35,941	30,579	38,576	71,236	91,981	79,811

## *Directors*

\*L. RASMINSKY, C.B.E., OTTAWA, ONT.

\*J. R. BEATTIE, OTTAWA, ONT.

A. C. ASHFORTH, TORONTO, ONT.

\*H. BARIBEAU, LEVIS, QUE.

\*R. B. BRYCE, OTTAWA, ONT.

N. H. DeBLOIS, CHARLOTTETOWN, P.E.I.

FREDERICK FIELD, F.C.A., VANCOUVER, B.C.

C. HEDLEY FORBES, FREDERICTON, N.B.

\*C. BRUCE HILL, M.C., ST. CATHARINES, ONT.

S. N. MacEachern, SASKATOON, SASK.

J. RENÉ OUIMET, MONTREAL, QUE.

L. PATRICK, C.B.E., CALGARY, ALTA.

W. S. PERLIN, ST. JOHN'S, NFLD.

\*J. A. ROBERTS, D.S.O., OTTAWA, ONT.

DANIEL SPRAGUE, C.A., WINNIPEG, MAN.

*\*Member of the Executive Committee*



# Officers

---

## HEAD OFFICE, OTTAWA

L. RASMINSKY, C.B.E.	<i>President</i>
L. F. MUNDY	<i>Secretary</i>
P. D. SMITH	<i>Deputy Secretary</i>
A. J. NORTON	<i>Chief Accountant</i>
E. METCALFE	<i>Internal Auditor</i>

## GENERAL MANAGER'S OFFICE, MONTREAL

A. N. H. JAMES	<i>General Manager</i>
E. R. CLARK	<i>Assistant General Manager</i>
C. E. DeATHE	<i>Executive Assistant</i>
J. HARVEY	<i>Administrative Assistant</i>
G. R. ELLIOTT	<i>Assistant Superintendent, Credit Department</i>
G. D. COATES	<i>Controller</i>
H. M. SCOTT	<i>Chief, Legal Department</i>
W. L. MUNDY	<i>Chief, Insurance Department</i>
H. DUNCAN	<i>Chief, Loan Accounting Department</i>
E. C. SCOTT	<i>Personnel Officer</i>
C. I. STUART	<i>Deputy Secretary</i>
J. W. SIVERS	<i>Information Officer</i>

## *Regional and Branch Offices*

---

ST. JOHN'S.....	85 Elizabeth Avenue N. J. WEEDMARK, <i>Manager</i>
HALIFAX.....	123 Hollis Street E. A. BELL, <i>Supervisor</i> J. G. KENNA, <i>Assistant Supervisor</i>
SAINT JOHN.....	75 Prince William Street J. B. S. OLDAKER, <i>Manager</i>
MONCTON.....	236 St. George Street G. J. HILTZ, <i>Manager</i>
EASTERN REGION	
REGIONAL OFFICE, MONTREAL.....	901 Victoria Square H. R. STOKER, <i>Regional Supervisor</i> L. VIAU, <i>Assistant Supervisor</i>
QUEBEC.....	925 Chemin St. Louis J. J. PAQUIN, <i>Manager</i>
TROIS-RIVIERES.....	165 Radisson Street J. J. G. BOURBONNIÈRE, <i>Manager</i>
MONTREAL.....	901 Victoria Square J. E. NORDIN, <i>Manager</i> J. J. PANNETON, <i>Manager</i> L. F. SMITH, <i>Assistant Manager</i> C. C. PINEAU, <i>Assistant Manager</i>
SHERBROOKE (Sub-Branch to Montreal).....	31 King Street West
OTTAWA.....	350 King Edward Avenue P. F. LIMOGES, <i>Manager</i>

## CENTRAL REGION

- REGIONAL OFFICE, TORONTO ..... 250 University Avenue  
W. C. STUART, *Regional Supervisor*  
J. R. GIBB, *Assistant Supervisor*
- TORONTO ..... 250 University Avenue  
K. K. HAY-ROE, *Manager*  
R. T. MACTAVISH, *Assistant Manager*  
J. G. WILSON, *Assistant Manager*
- HAMILTON ..... 36 James Street S.  
I. D. MACLAREN, *Manager*
- KITCHENER-WATERLOO ..... Waterloo Square Building, Waterloo  
W. H. JAY, *Manager*
- LONDON ..... 291 Dundas Street  
C. F. BLANCHER, *Manager*
- WINDSOR ..... 267 Pelissier St.  
C. R. T. BINGLEY, *Manager*
- SUDBURY ..... 96 Larch Street, East  
R. K. SUUTARI, *Manager*

## PRAIRIE REGION

- REGIONAL OFFICE, WINNIPEG ..... 360 Broadway Ave.  
J. C. INGRAM, *Regional Supervisor*  
R. H. WHEELER, *Assistant Supervisor*
- LAKEHEAD ..... 8-A North Cumberland Street,  
K. C. A. DAWSON, *Manager* Port Arthur
- WINNIPEG ..... 360 Broadway Avenue  
K. A. POWERS, *Manager*  
H. D. RAMSEY, *Assistant Manager*
- REGINA ..... 1874 Scarth Street  
H. W. BAKER, *Manager*
- SASKATOON ..... 406 - 21st Street, East  
F. G. STEWART, *Manager*

- CALGARY ..... 320 Seventh Ave., S.W.  
H. J. C. RUSSELL, *Supervisor*  
N. P. BRUCE, *Assistant Supervisor*
- EDMONTON ..... 10010 - 105th Street  
E. G. CAPLING, *Manager*
- KELOWNA ..... 22A The Mall, Shops Capri  
C. V. SPIELMAN, *Manager*
- VANCOUVER ..... 1112 West Pender Street  
J. E. MILLARD, *Supervisor*  
B. E. CRAWFORD, *Assistant Supervisor*
- VICTORIA ..... 702 Fort Street  
C. B. READY, *Manager*



The businesses  
illustrated in the following  
photographs are typical of  
the concerns, in all  
fields of activity and in  
all parts of Canada,  
for which I.D.B. has approved  
more than 10,000 loans since  
its inception.

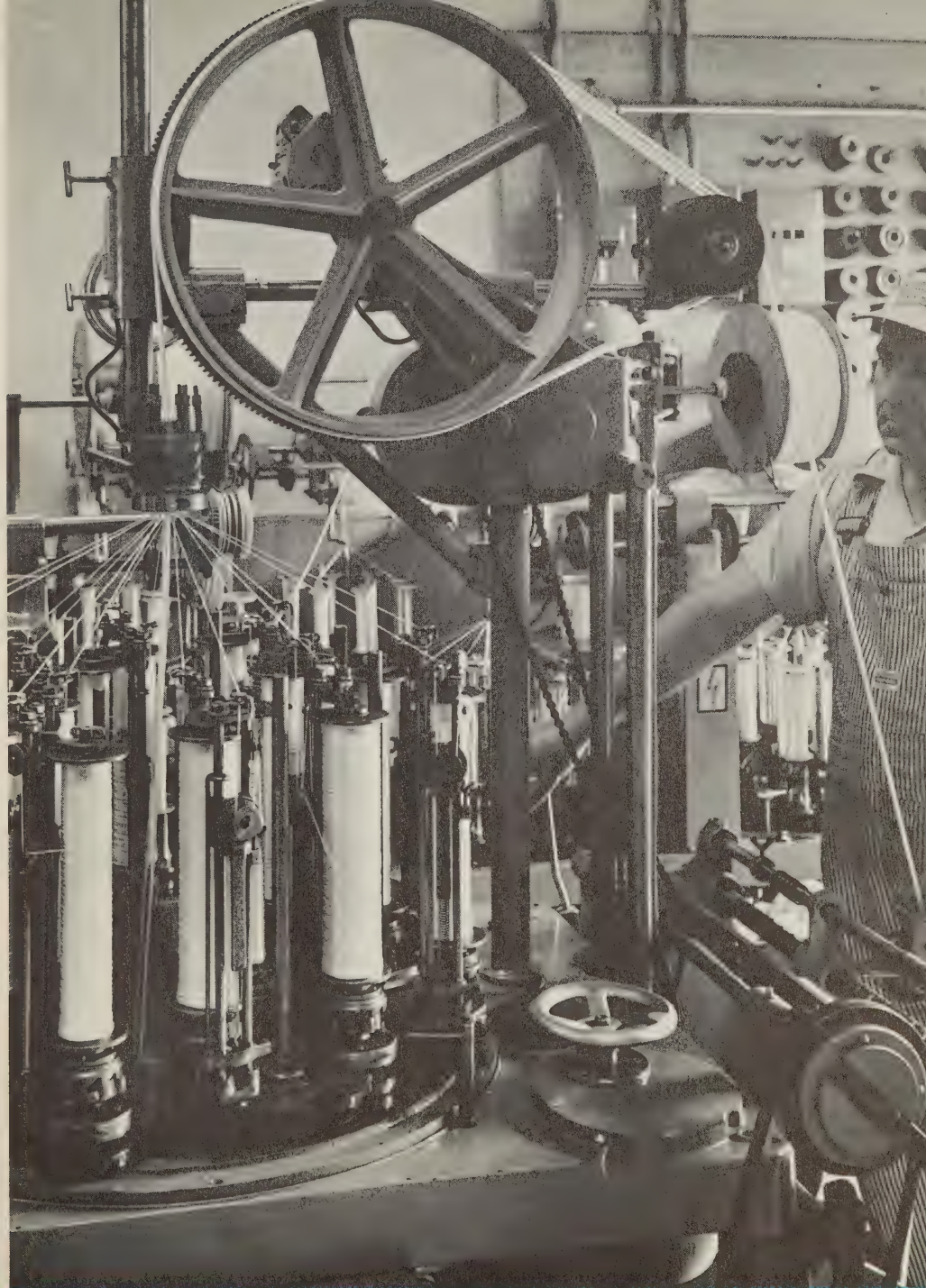


Mats with freshly printed designs being conveyed into a drying oven.





A road grader receives finishing touches near the end of the assembly line.

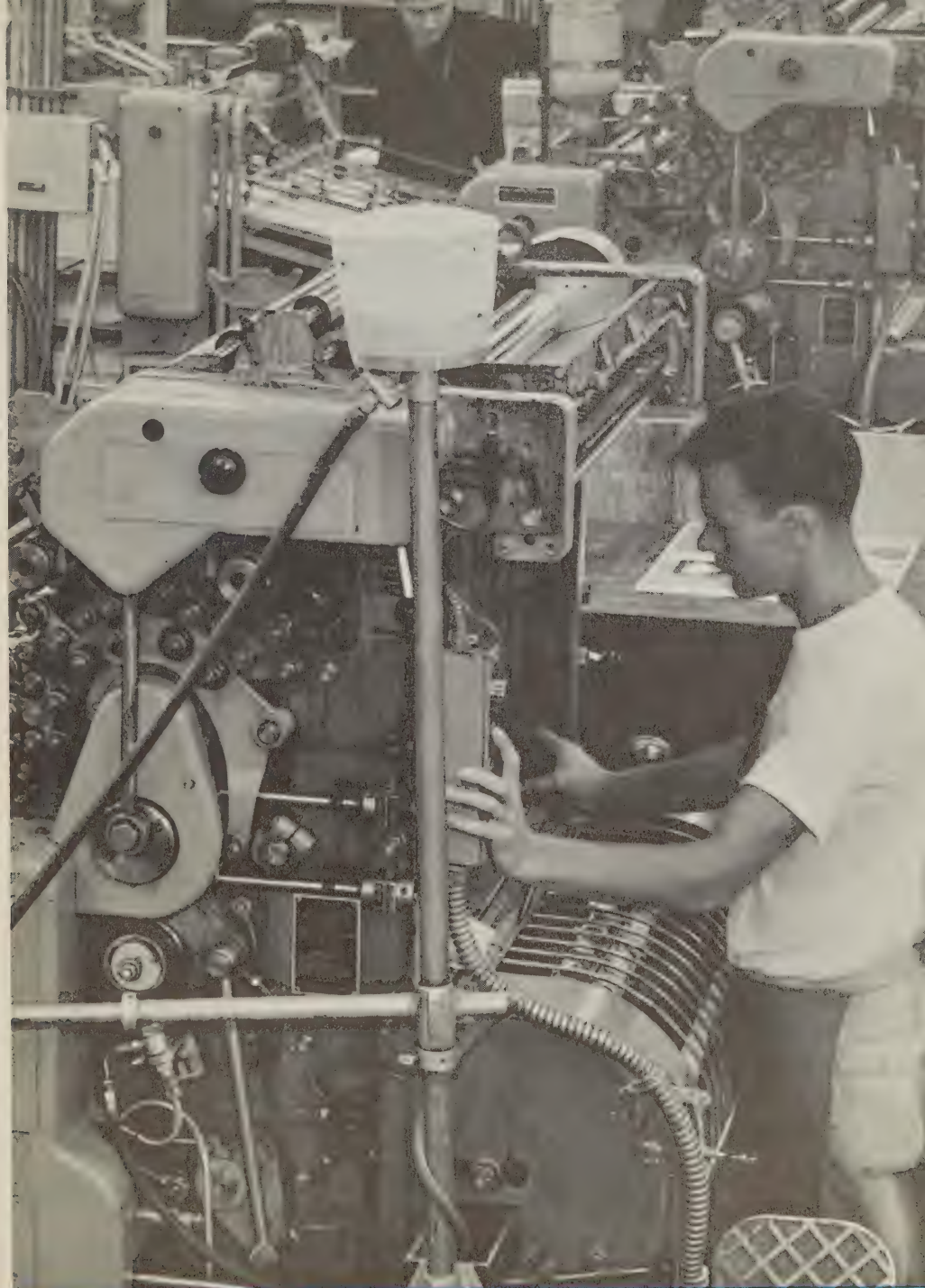


Braiding nylon filament into rope for industrial use.



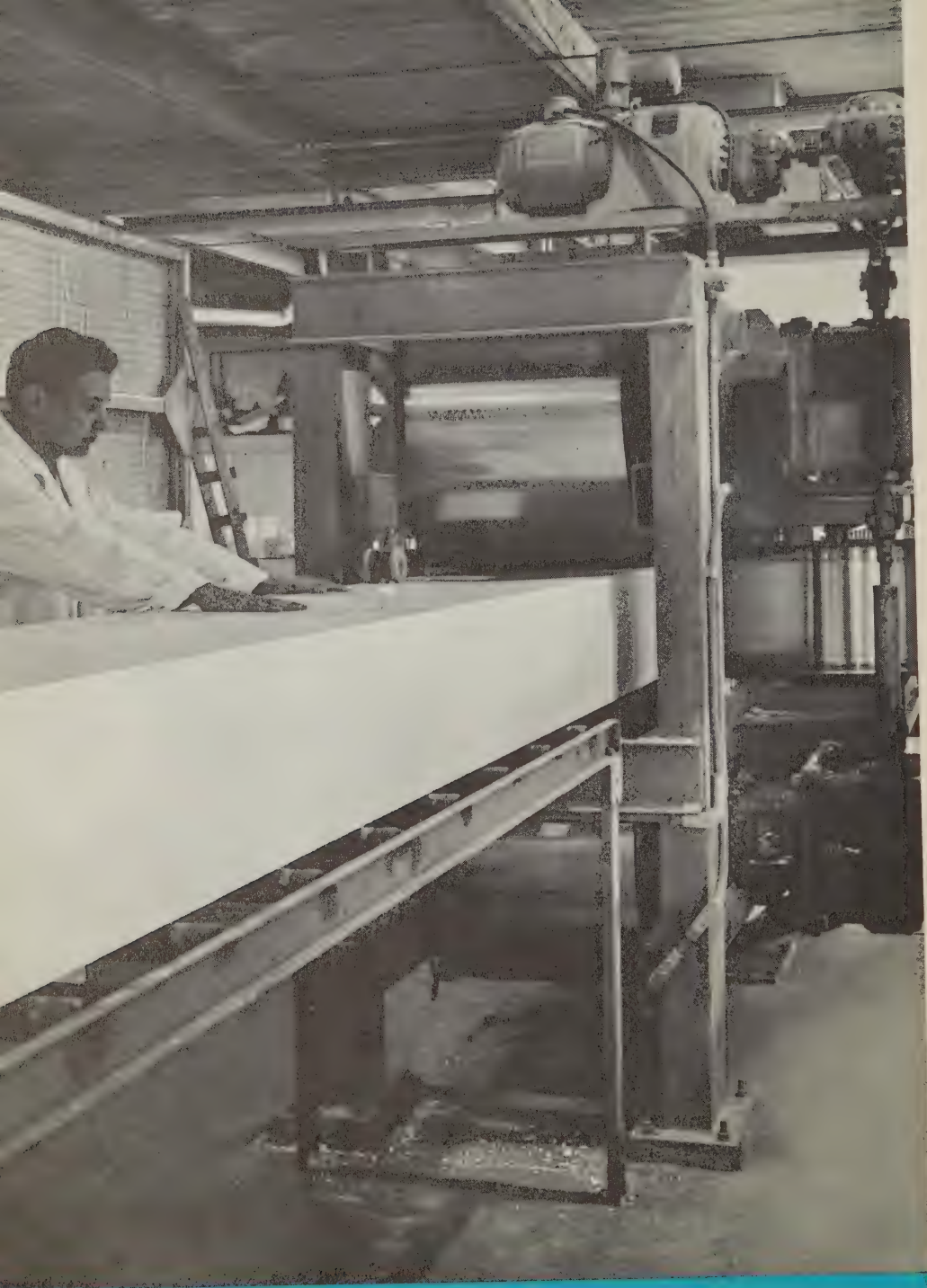


Processing hides in a tannery.



Offset presses in a modern printing plant.



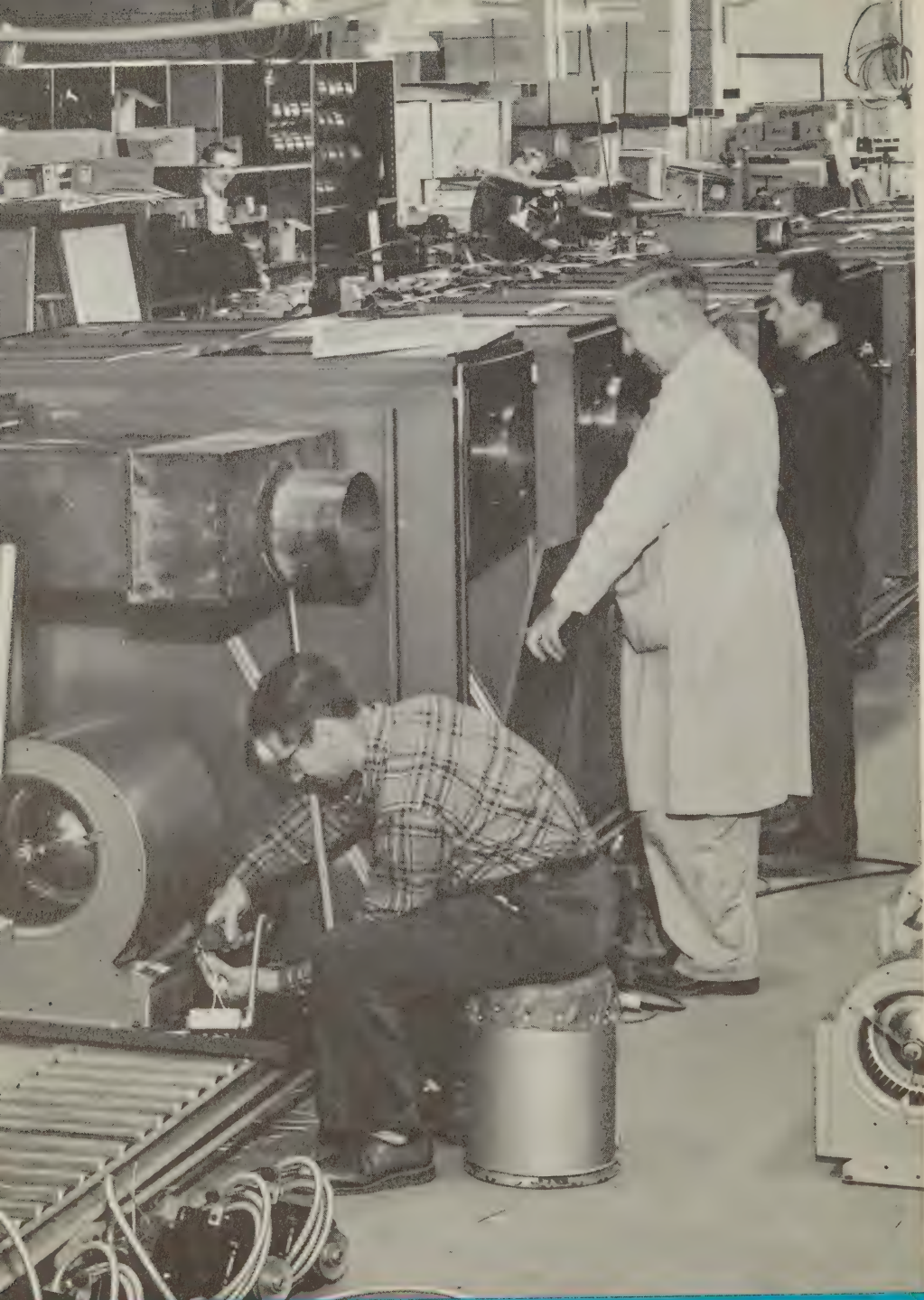


Extruding expanded polystyrene to be used for thermal insulation.





Egg production on a large scale. Feed and water are provided automatically and eggs are gathered mechanically.



Assembling furnaces which will heat homes in Canada and overseas.





A stoneware lamp base, hand made by a family enterprise, is placed in a drying kiln.



Pile driving on the west coast.







CA1  
FN130  
R27

Government  
Publications

***idb* INDUSTRIAL  
DEVELOPMENT BANK, Ottawa**



**REPORT (OF THE PRESIDENT) AND  
STATEMENT OF ACCOUNTS**

**(FISCAL YEAR)**

**1964**



***idb*** INDUSTRIAL  
DEVELOPMENT BANK

HEAD OFFICE

OTTAWA

December 9th, 1964

The Hon. Walter L. Gordon, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1964, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

*L. Rasminsky*

President.

## Highlights

### Amounts of loans at September 30, 1964:

(millions of dollars)

Outstanding.....	223.7
Undisbursed.....	39.7
	<hr/>
	263.4

### Number of customers at fiscal year-end:

Fiscal 1948.....	404
Fiscal 1952.....	584
Fiscal 1956.....	819
Fiscal 1960.....	1,966
Fiscal 1964.....	6,027

### Number of loans approved in fiscal year:

Fiscal 1948.....	204
Fiscal 1952.....	165
Fiscal 1956.....	349
Fiscal 1960.....	740
Fiscal 1964.....	2,083

### Amount of loans approved in fiscal year:

(millions of dollars)

Fiscal 1948.....	11.7
Fiscal 1952.....	11.5
Fiscal 1956.....	39.4
Fiscal 1960.....	38.6
Fiscal 1964.....	88.1



# ***idb* INDUSTRIAL DEVELOPMENT BANK**

## **TWENTIETH ANNUAL REPORT OF THE PRESIDENT—1964**

September 30th, 1964 marked the completion of twenty fiscal years of operation by the Industrial Development Bank. When the Bank was created by Parliament in late 1944, it was one of the first organizations of its kind in the world; since then a great number of other countries have established development banks of one kind or another.

Since its inception, the Bank has authorized over 12,000 loans to Canadian businesses — of which no less than half were during the past 3 years. In amount, these 12,000 IDB loans totalled over \$600,000,000. At the 1964 fiscal year-end, the Bank had loans outstanding or in course of disbursement totalling \$263,000,000 to 6,000 business undertakings comprising individuals, firms and incorporated businesses.

Following the initial surge of loans to businesses which became eligible for IDB loans for the first time when the Act was broadened in 1961, some temporary decline was to be expected. This decline was, however, small; the number of loans made in fiscal years 1961 to 1964 inclusive were:

1961.....	1,365
1962.....	2,085
1963.....	1,986
1964.....	2,083

By the second half of 1964 the rate of lending had risen to a new record level.

In addition to term loans, other kinds of financing are within the scope of the Bank's powers and can be considered in suitable cases, including the guarantee of loans from other sources, direct purchase of a company's capital stock, underwriting agreements, etc. It has been the Bank's experience to date, however, that few financing proposals of these types are received from applicants; in fiscal 1964, nine financing arrangements other than by way of term loans were approved, bringing

total approvals for financing of all kinds to 2,092, higher in the aggregate than for any previous year.

Loans approved in fiscal 1964 ranged in amount from less than \$5,000 to over \$1,000,000. As in past years, most loans were for amounts of \$25,000 or less:

	Fiscal 1962		Fiscal 1963		Fiscal 1964	
Size of loans	No.	%	No.	%	No.	%
\$25,000 or less.....	1,057	51%	1,093	55%	1,140	55%
\$25,001 to \$100,000....	866	41	779	39	808	39
Over \$100,000.....	162	8	114	6	135	6
	<u>2,085</u>	<u>100%</u>	<u>1,986</u>	<u>100%</u>	<u>2,083</u>	<u>100%</u>
Average size of loan (\$000)	44		40		42	

A detailed classification of loan approvals by size appears on pages 14 and 15.

Due to the growth of lending by the Bank in the last four years, the amount of loan repayments has been steadily increasing: repayments totalled \$46,000,000 in fiscal 1964, \$8,000,000 more than in the previous year.

## TYPES OF BUSINESSES

A classification of loan approvals in fiscal 1964 by type of business is given below; more detailed figures of numbers of loans and amounts may be found on pages 16 and 17.

	Fiscal 1964	
	Number	Amount
Manufacturing.....	35%	48%
Wholesale and retail trade.....	21	15
Personal services (including restaurants, motels, laundries, etc.)....	14	11
Agriculture.....	10	7
Construction.....	6	5
Transportation and storage.....	4	6
Recreation services.....	3	3
Other.....	7	5
	<u>100%</u>	<u>100%</u>

The classification "Agriculture" included 201 loans to individuals and enterprises engaged in a variety of agricultural activities:

	Number	Amount
Poultry and egg production.....	30%	31%
Raising of livestock.....	22	19
Specialty farms (includes fur-bearing animals, greenhouse and nursery products).....	14	16
Field crops.....	12	13
Other.....	22	21
	<u>100%</u>	<u>100%</u>

## CUSTOMERS' PROGRAMMES

Loans amounting to \$88,000,000 made by IDB in fiscal 1964 helped finance customers' programmes totalling \$119,300,000. As in previous years, the chief purpose for which businesses obtained loans from the IDB was to finance the acquisition of fixed assets.

	Fiscal 1964	
	Millions of dollars	Per cent of total
Land and buildings.....	\$ 46.9	39.3%
Machinery and equipment.....	34.9	29.3
Increase in working capital.....	18.4	15.4
Refinancing of realty mortgages.....	4.8	4.0
Refinancing of suppliers' liens on equipment.....	1.6	1.3
Refinancing of other liens on equipment.....	1.9	1.6
Refinancing of other obligations.....	3.7	3.1
Financing of changes in ownership.....	5.6	4.7
All other purposes.....	1.5	1.3
	<u>\$119.3</u>	<u>100.0%</u>

## ORGANIZATION

In May, 1964, a branch office was opened in Rimouski, with a view to making the Bank's services more readily available to businesses in the lower St. Lawrence and Gaspé Peninsula area. Including a sub-branch at Sherbrooke, which is open on a regular basis certain days of the month, the Bank now has twenty-five branch offices across the country. IDB offices are listed on pages 20 and 21.

In keeping with the IDB's objective of making its facilities available to businesses anywhere in Canada, representatives of the Bank periodically make visits, advertised in advance, to many localities not having an IDB office, for the purpose of interviewing prospective customers. In fiscal 1964, considerably increased emphasis was placed on this aspect of the Bank's activities; in the past year 226 advertised visits were made to 105 localities.

Operations of the Bank are now decentralized to the point where the decision with respect to over 80% of the number of loans approved in the last year was taken at local branches or at regional offices. This has helped in bringing about a further reduction in processing time for loan applications, a matter in which the Bank is constantly striving for improvement. The Bank wants to give prospective borrowers a decision on an application as rapidly as possible, and among the continuing difficulties to be overcome is the frequent problem of obtaining quickly from a borrower adequate financial and other information on which the Bank can base a sound decision.

One of the key factors in the ability of the Bank to carry out its functions effectively is the calibre of its staff who have again rendered the organization loyal, capable and imaginative service. The broadening of the IDB Act in 1961 made it necessary to add considerably to the staff in 1961-62 but the additional staff engaged at that time have now reached a level of training and experience which made it practicable in fiscal 1964 to deal with the new applications received, and to administer our growing volume of existing loan accounts, with about the same level of staff as in the previous year. At the 1964 fiscal year-end, the staff numbered 292 men and 212 women — a total of 504.

## FINANCIAL STATEMENTS

The year-end balance sheets, and the statements of income, expense and profit, for fiscal years 1963 and 1964 appear on pages 8-10.

During fiscal 1964, IDB obtained funds from the following sources to provide for the increase in outstanding loans and other assets as shown on the September 30th, 1964 balance sheet:

Increase in outstanding debentures.....	\$20,500,000
Increase in issued share capital.....	2,000,000
Fiscal 1964 net profit less net write-offs of bad debts.....	1,665,000
	<hr/>
	\$24,165,000
	<hr/>

Debentures now account for 75 per cent of the Bank's loanable funds; share capital and accumulated profits provide the balance. As the IDB Act provides, the additional share capital has been subscribed by the Bank of Canada, which has also purchased all the debentures issued by the IDB.

Income, expense and profit for fiscal 1964 together with comparative figures for the previous few years are summarized below:

	Fiscal 1960	Fiscal 1961	Fiscal 1962	Fiscal 1963	Fiscal 1964
		(thousands of dollars)			
Income.....	6,463	7,424	9,692	12,629	14,660
Less: Operating expenses ....	1,993	2,779	4,141	4,651	4,906
Cost of debentures.....	2,474	3,008	4,486	6,556	7,891
Net income before provision for losses.....	1,996	1,637	1,065	1,422	1,863
Less provision for bad and doubtful debts.....	488	444	650	729	998
Balance transferred to Reserve Fund.....	1,508	1,193	415	693	865

The increase in operating expenses between 1960 and 1962 reflected the sharp increase in staff and branches and associated training programmes undertaken to cope with the surge of business which followed the revision of the IDB Act in 1961. The growth in costs inevitably preceded the expansion of the volume of business on the books of the Bank, and its earnings declined from 1960 to 1962, but an upward trend in the Bank's net income began again in 1963 and was continued in 1964.

The standard rate of interest normally charged on new loans has remained unchanged during the past two years at 7 per cent.

During fiscal 1964, loan balances totalling \$227,000 were written off against the Reserve for Losses built up in prior years, and \$29,000 previously written off was recovered. The Reserve for Losses Account was increased from \$3.7 million at September 30, 1963 to \$4.5 million at September 30, 1964; the latter amount represents 1.71% of loans outstanding or committed at the end of the period.

The net profit of \$865,000 remaining after the appropriation to the Reserve for Losses was added to the Reserve Fund, raising it to \$17,483,000.



ASSETS	1964	1963
Cash on hand and deposits with other banks . . . . \$	16,147	\$ 17,831
Loans and investments . . . . . \$224,228,435		
Accrued interest (1963 - \$910,931) 1,085,826	225,314,261	201,802,591
Property held for sale (including agreements for sale) . . . . .	213,285	96,649
Guarantees and underwriting agreements (as per contra) . . . . .	36,475	20,000
Unamortized discount and premium on debentures . . . . .	3,392,651	2,213,545
Other assets . . . . .	437,786	419,729
	<u>\$229,410,605</u>	<u>\$204,570,345</u>

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT

# Assets and Liabilities as at September 30, 1964

WITH COMPARATIVE FIGURES AS AT SEPTEMBER 30, 1963

LIABILITIES	1964	1963
Capital —		
Authorized		
500,000 shares par value \$100 each		
Issued and paid up		
350,000 shares (1963 — 330,000 shares) . . . .	\$ 35,000,000	\$ 33,000,000
Reserve fund . . . . .	17,483,262	16,618,446
Reserve for losses . . . . .	4,500,000	3,700,000
Debentures outstanding . . . . . \$168,100,000		
Accrued interest		
(1963 — \$3,290,000) . . . . . 3,787,250	171,887,250	150,890,000
Liabilities under guarantees and underwriting agreements . . . . .	36,475	20,000
Other liabilities . . . . .	503,618	341,899
	<u>\$229,410,605</u>	<u>\$204,570,345</u>

## AUDITORS' REPORT

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1964 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1964 according to the best of our information and as shown by the books of the bank.

T. C. KINNEAR, F.C.A.  
of Price Waterhouse & Co.

H. MARCEL CARON, C.A.  
of Clarkson, Gordon & Cie.

Ottawa, November 4, 1964.

# **idb** INDUSTRIAL DEVELOPMENT BANK

## *Statement of Income, Expense and Profit for the year ended September 30, 1964*

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED SEPTEMBER 30, 1963

	(\$000)	(\$000)
	1964	1963
<b>INCOME</b>		
Interest . . . . .	\$14,232	\$12,240
Profit on sale of investments . . . . .	14	15
Sundry . . . . .	414	374
	<u>\$14,660</u>	<u>\$12,629</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> . . . . .	\$ 3,310	\$ 3,135
Pension fund, unemployment insurance and group insurance . . . . .	220	232
Other staff expenses <sup>(2)</sup> . . . . .	48	43
Investigation and supervision expenses . . . . .	80	82
Travel and transfer expenses . . . . .	113	130
Rental and other costs — leased premises . . . . .	522	435
Depreciation on equipment . . . . .	73	68
Advertising . . . . .	101	85
Other public information <sup>(3)</sup> . . . . .	38	39
Telephone and telegrams . . . . .	124	117
Office supplies and expenses . . . . .	173	173
Directors' fees . . . . .	12	12
Auditors' fees and expenses . . . . .	16	17
All other operating expenses . . . . .	76	83
Total operating expenses . . . . .	<u>\$ 4,906</u>	<u>\$ 4,651</u>
Interest on debentures (including amortization of discount and premium) . . . . .	7,891	6,556
Provision for bad and doubtful debts . . . . .	998	729
	<u>\$13,795</u>	<u>\$11,936</u>
Profit transferred to reserve fund . . . . .	<u>\$ 865</u>	<u>\$ 693</u>

(1) The number of staff averaged 505 in 1964 and 495 in 1963.

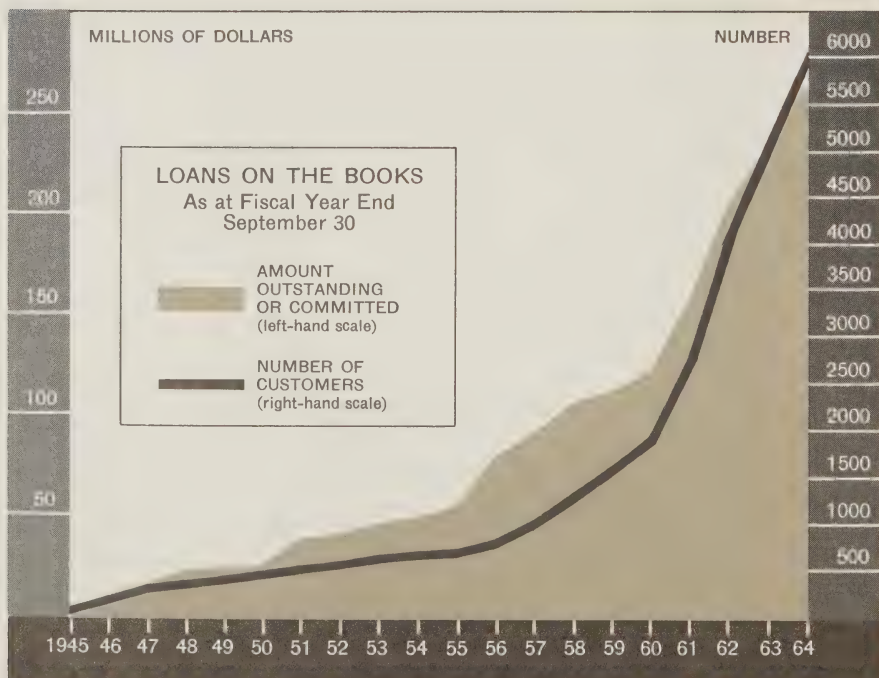
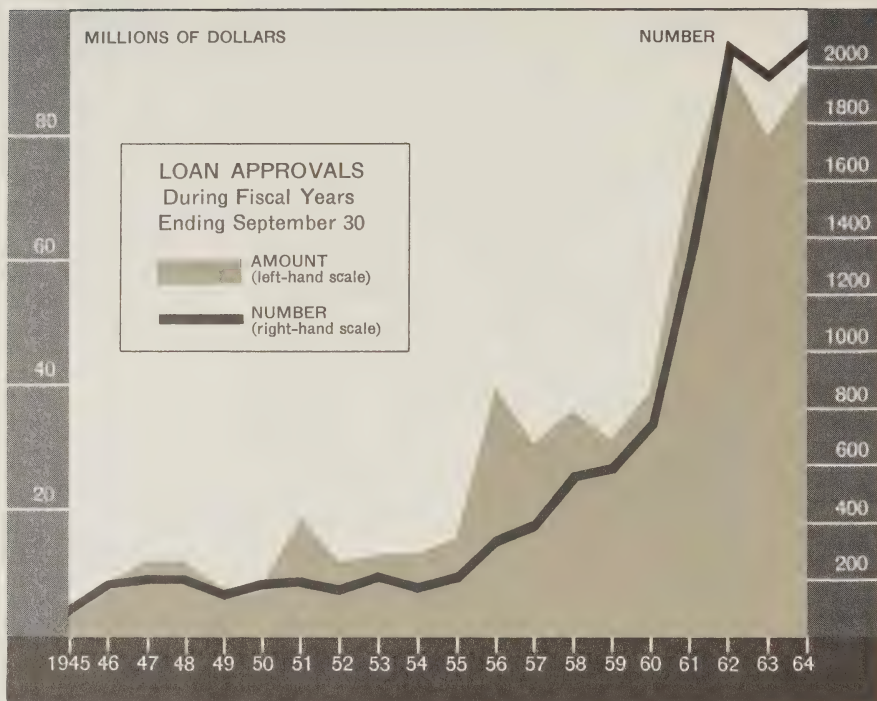
(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

## Reserves

RESERVE FOR LOSSES		(\$000)
Balance, October 1, 1963.....		\$ 3,700
<i>Add:</i>		
Recovery of amounts previously written off.....	\$ 29	
Provision for bad and doubtful debts for the year ended September 30, 1964.....	998	1,027
		<u>\$ 4,727</u>
<i>Less:</i>		
Bad debts written off.....		227
Balance, September 30, 1964.....		<u><u>\$ 4,500</u></u>

RESERVE FUND		(\$000)
Balance, October 1, 1963.....		\$16,618
Profit for the year ended September 30, 1964.....		865
Balance, September 30, 1964.....		<u><u>\$17,483</u></u>





# PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books as at September 30, 1964		Total Authorizations November 1, 1944 to September 30, 1964	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
Newfoundland.....	146	4,950	184	8,160
Prince Edward Island.....	34	678	49	6,740
Nova Scotia.....	171	7,663	274	15,807
New Brunswick.....	213	6,453	348	17,622
Quebec.....	1,230	75,702	1,994	180,628
Ontario.....	2,158	90,394	3,216	202,148
Manitoba.....	448	17,096	663	37,895
Saskatchewan.....	280	8,478	390	21,790
Alberta.....	760	23,473	1,054	52,682
British Columbia.....	559	27,103	1,070	84,128
Yukon, N.W. Territories....	28	1,390	41	2,707
Total.....	6,027	263,380	9,283	630,307

*idb*

## SUMMARY STATISTICS OF LOANS

FOR FISCAL YEARS ENDING SEPTEMBER 30

(Millions of Dollars)	1959	1960	1961	1962	1963	1964
Amounts drawn down by borrowers.....	29.3	29.7	47.5	74.3	74.0	69.6
Repayments by borrowers...	20.4	23.4	27.1	32.6	38.2	46.0
Amounts written off (net)...	.8	.1	.2	.2	.1	.2
Increase in amounts out- standing.....	8.1	6.2	20.2	41.5	35.7	23.4
Amounts outstanding at year- end.....	96.7	102.9	123.1	164.6	200.3	223.7
Amounts not yet disbursed at year-end on loans author- ized.....	12.4	16.9	31.1	39.0	31.7	39.7
Amounts outstanding plus undisbursed at year-end...	109.1	119.8	154.2	203.6	232.1	263.4
Number of customers on the books at year-end.....	1,609	1,966	2,768	4,083	5,104	6,027
Average amount outstanding plus undisbursed per cus- tomer (thousands of dollars).....	68	61	56	50	45	44

# Loan Approvals

During Fiscal Years  
Ending September 30

## CLASSIFICATION BY NEW

	NUMBER			
	1959	1960	1961	1962
To New Borrowers.....	438	571	1,070	1,730
To Existing Borrowers.....	161	169	295	355
Total.....	599	740	1,365	2,085

## CLASSIFICATION BY SIZE:

	31	28	39	72
\$ 5,000 or less.....	242	313	578	985
Over 5,000 to 25,000.....	153	188	372	526
Over 25,000 to 50,000.....	112	124	234	340
Over 50,000 to 100,000.....	43	60	105	121
Over 100,000 to 200,000.....	581	713	1,328	2,044
Total up to \$200,000.....	18	27	37	41
Over \$200,000.....	599	740	1,365	2,085
Total.....				
Average Size.....				

## CLASSIFICATION BY PROV

	7	8	21	60
Newfoundland.....	5	8	4	16
Prince Edward Island.....	32	28	49	61
Nova Scotia.....	27	30	61	89
New Brunswick.....	140	147	258	423
Quebec.....	193	264	538	810
Ontario.....	32	37	106	143
Manitoba.....	19	28	64	86
Saskatchewan.....	56	76	131	216
Alberta.....	86	110	128	169
British Columbia.....	2	4	5	12
Yukon and N. W. Territories.....	599	740	1,365	2,085
Total.....				

## R EXISTING BORROWERS:

### AMOUNT (\$000)

1963	1964	1959	1960	1961	1962	1963	1964
1,532	1,514	24,150	29,517	53,596	75,922	61,020	62,964
454	569	6,429	9,059	17,640	16,059	18,791	25,184
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148
100	86	105	121	165	304	431	363
993	1,054	3,911	4,905	8,960	15,278	15,113	16,503
476	519	5,939	7,131	14,238	20,414	18,324	19,778
303	289	8,406	9,659	17,610	25,289	22,737	21,571
84	96	6,293	8,748	15,418	17,797	12,249	13,666
1,956	2,044	24,654	30,564	56,391	79,082	68,854	71,881
30	39	5,925	8,012	14,845	12,899	10,957	16,267
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148
.....	.....	51	52	52	44	40	42

## CE:

52	60	235	698	754	1,628	1,531	1,982
12	4	171	111	70	403	305	61
47	62	1,355	1,075	2,130	2,840	1,881	2,122
70	52	765	888	2,711	2,491	2,276	1,747
395	439	7,585	9,398	16,884	24,340	22,520	24,982
676	675	9,862	12,388	24,952	33,686	27,902	28,124
159	154	2,065	1,895	5,433	6,417	5,585	5,856
78	120	978	1,493	3,133	2,938	2,344	3,729
306	282	2,745	3,465	5,990	8,011	8,388	8,786
181	230	4,743	7,057	9,032	8,605	6,727	10,569
10	5	75	108	147	622	352	190
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148

	NUMBER			
	1959	1960	1961	1962
Manufacturing:				
Foods and beverages.....	82	92	159	165
Tobacco and tobacco products.....	..	..	..	..
Rubber products.....	2	4	9	2
Leather products.....	5	2	15	6
Textile products (except clothing).....	12	11	15	27
Clothing (textiles and fur).....	33	25	49	53
Wood products.....	74	76	127	129
Paper products (including pulp).....	6	12	18	11
Printing and allied industries.....	25	35	58	64
Iron and steel products.....	80	104	190	164
(including machinery and equipment)				
Transportation equipment.....	22	26	42	16
Non-ferrous metal products.....	15	15	20	3
Electrical apparatus and supplies.....	11	12	22	25
Non-metallic mineral products.....	34	39	65	66
Products of petroleum and coal.....	1	2	3	3
Chemical products.....	20	24	27	28
Miscellaneous manufacturing industries.....	17	17	38	45
Commercial air services.....	13	10	20	20
Warehousing (including refrigeration).....	5	13	13	12
Other transportation and storage.....	42	61	103	88
Electric power, gas, water utilities.....	..	..	..	2
Mines (incl. milling) quarries, oil wells.....	6	20	31	28
Construction.....	37	59	144	161
Industrial buildings.....	13	12	28	32
Personal services.....	11	23	42	270
Forestry.....	..	2	5	9
Wholesale trade.....	9	16	32	152
Retail trade.....	9	20	55	240
Education and health services.....	..	..	2	18
Recreation services.....	..	..	1	67
Services to business management.....	2	2	4	25
Miscellaneous services.....	9	4	17	34
Agriculture.....	4	2	11	106
Fishing and trapping.....	..	..	..	1
Communications.....	..	..	..	13
(Enterprises engaged in more than one type of business are classified according to major activity.)	599	740	1,365	2,085

# Loan Approvals by Types of Businesses

DURING FISCAL YEARS ENDING SEPTEMBER 30

		AMOUNT (\$000)					
1963	1964	1959	1960	1961	1962	1963	1964
160	151	4,340	5,435	8,625	6,934	7,525	9,016
..	..	...	...	...	...	...	...
7	5	38	230	547	47	208	233
6	14	246	115	1,026	463	372	434
26	19	611	474	933	2,323	1,695	1,610
45	38	1,707	837	2,585	2,934	1,446	1,919
112	115	4,575	5,217	7,657	7,522	6,281	5,954
18	15	171	803	1,615	407	1,430	758
46	47	1,169	1,223	2,380	2,058	2,082	2,290
165	184	3,298	4,718	8,933	6,701	7,921	12,455
25	23	765	775	1,390	648	847	699
7	2	1,028	659	762	93	296	407
14	16	502	531	2,112	1,860	666	1,240
54	46	1,497	2,511	5,889	3,097	2,248	2,477
..	3	30	40	224	152	...	169
26	9	846	942	1,233	1,234	1,522	277
56	47	1,122	888	1,681	1,394	2,298	2,035
12	15	891	598	908	1,497	384	993
12	9	469	1,215	745	745	1,222	439
92	67	1,789	4,012	5,445	4,579	4,791	4,078
2	4	...	...	...	80	63	79
16	16	361	1,500	2,614	1,418	550	928
123	118	2,275	2,358	5,992	6,873	3,877	4,256
34	36	949	492	1,232	1,312	1,462	1,354
261	290	327	672	1,596	12,868	10,022	10,025
6	7	...	292	220	612	77	147
118	151	395	668	1,418	5,888	4,314	5,509
226	292	556	936	2,297	6,888	6,185	7,811
10	7	...	...	85	463	181	100
59	61	...	...	100	4,174	2,662	2,584
21	13	51	105	168	628	631	307
39	42	511	245	582	1,156	913	1,022
175	201	60	85	242	4,127	4,809	5,892
6	4	...	...	...	8	455	136
7	16	...	...	...	798	376	515
1,986	2,083	30,579	38,576	71,236	91,981	79,811	88,148



## *Board of Directors*

\*L. RASMINSKY, C.B.E., OTTAWA, ONT.

\*J. R. BEATTIE, OTTAWA, ONT.

\*H. BARIBEAU, LEVIS, QUE.

A. I. BARROW, C.A., HALIFAX, N.S.

\*R. B. BRYCE, OTTAWA, ONT.

N. H. DEBLOIS, CHARLOTTETOWN, P.E.I.

FREDERICK FIELD, F.C.A., VANCOUVER, B.C.

C. HEDLEY FORBES, FREDERICTON, N.B.

S. N. MAC EACHERN, SASKATOON, SASK.

A. J. MACINTOSH, Q.C., TORONTO, ONT.

\*W. A. MACKINTOSH, KINGSTON, ONT.

J. RENÉ OUIMET, MONTREAL, QUE.

L. PATRICK, C.B.E., CALGARY, ALTA.

W. S. PERLIN, ST. JOHN'S, NFLD.

DANIEL SPRAGUE, C.A., WINNIPEG, MAN.

\*J. H. WARREN, OTTAWA, ONT.

*\*Member of the Executive Committee*

## *Head Office, Ottawa*

L. RASMINSKY, C.B.E.	<i>President</i>
L. F. MUNDY	<i>Secretary</i>
P. D. SMITH	<i>Deputy Secretary</i>
A. J. NORTON	<i>Chief Accountant</i>
E. METCALFE	<i>Internal Auditor</i>

## *General Manager's Office, Montreal*

A. N. H. JAMES	<i>General Manager</i>
E. R. CLARK	<i>Assistant General Manager</i>
C. E. DEATHE	<i>Executive Assistant</i>
J. HARVEY	<i>Administrative Assistant</i>
G. R. ELLIOTT	<i>Assistant Superintendent, Credit Department</i>
G. D. COATES	<i>Controller</i>
H. M. SCOTT	<i>Chief, Legal Department</i>
W. L. MUNDY	<i>Chief, Insurance Department</i>
H. DUNCAN	<i>Chief, Loan Accounting Department</i>
E. C. SCOTT	<i>Personnel Officer</i>
C. I. STUART	<i>Deputy Secretary</i>
J. W. SIVERS	<i>Information Officer</i>

## Regional and Branch Offices

ST. JOHN'S.....	85 Elizabeth Avenue N. J. WEEDMARK, <i>Manager</i>
HALIFAX.....	123 Hollis Street E. A. BELL, <i>Supervisor</i> J. G. KENNA, <i>Assistant Supervisor</i>
SAINT JOHN.....	75 Prince William Street J. B. S. OLDAKER, <i>Manager</i>
MONCTON.....	236 St. George Street G. J. HILTZ, <i>Manager</i>
EASTERN REGION	
REGIONAL OFFICE, MONTREAL.....	901 Victoria Square H. R. STOKER, <i>Regional Supervisor</i> L. VIAU, <i>Assistant Supervisor</i>
RIMOUSKI.....	133 St. Germain Street M. GENDRON, <i>Manager</i>
QUEBEC.....	925 Chemin St. Louis J. J. PAQUIN, <i>Manager</i>
TROIS-RIVIERES.....	165 Radisson Street J. J. G. BOURBONNIÈRE, <i>Manager</i>
MONTREAL.....	901 Victoria Square J. E. NORDIN, <i>Manager</i> J. J. PANNETON, <i>Manager</i> L. F. SMITH, <i>Assistant Manager</i> C. C. PINEAU, <i>Assistant Manager</i>
SHERBROOKE (Sub-Branch to Montreal) . . . . .	31 King Street West
OTTAWA.....	350 King Edward Avenue P. F. LIMOGES, <i>Manager</i>

## CENTRAL REGION

REGIONAL OFFICE, TORONTO.....250 University Avenue  
W. C. STUART, *Regional Supervisor*  
J. R. GIBB, *Assistant Supervisor*

TORONTO.....250 University Avenue  
K. K. HAY-ROE, *Manager*  
R. T. MACTAVISH, *Assistant Manager*  
J. G. WILSON, *Assistant Manager*

HAMILTON.....36 James Street S.  
I. D. MACLAREN, *Manager*

KITCHENER-WATERLOO.....Waterloo Square Building, Waterloo  
W. H. JAY, *Manager*

LONDON.....291 Dundas Street  
C. F. BLANCHER, *Manager*

WINDSOR.....267 Pelissier St.  
C. R. T. BINGLEY, *Manager*

SUDBURY.....96 Larch Street, East  
R. K. SUUTARI, *Manager*

## PRAIRIE REGION

REGIONAL OFFICE, WINNIPEG.....360 Broadway Ave.  
J. C. INGRAM, *Regional Supervisor*  
R. H. WHEELER, *Assistant Supervisor*

LAKEHEAD.....8-A North Cumberland Street,  
K. C. A. DAWSON, *Manager* Port Arthur

WINNIPEG.....360 Broadway Avenue  
K. A. POWERS, *Manager*  
H. D. RAMSEY, *Assistant Manager*

REGINA.....2220 - 12th Avenue  
H. W. BAKER, *Manager*

SASKATOON.....406 - 21st Street, East  
F. G. STEWART, *Manager*

CALGARY.....320 Seventh Ave., S.W.  
H. J. C. RUSSELL, *Supervisor*  
N. P. BRUCE, *Assistant Supervisor*

EDMONTON.....10010 - 105th Street  
E. G. CAPLING, *Manager*  
R. B. THOMAS, *Assistant Manager*

KELOWNA.....22A The Mall, Shops Capri  
C. V. SPIELMAN, *Manager*

VANCOUVER.....1112 West Pender Street  
J. E. MILLARD, *Supervisor*  
O. H. MORGAN, *Assistant Supervisor*

VICTORIA.....702 Fort Street  
C. B. READY, *Manager*

## 1944 *idb* 1964

On August 15th, 1944, royal assent was given to the Industrial Development Bank Act. The Act came into force on the following September 30th, and on November 1st, 1944 the Bank opened its doors for business.

Prior to that time there was no financial institution in Canada to provide a regular source of medium or long-term financing for small and medium-sized businesses unable to raise funds in the securities market. Short-term credit for business was provided by the banking system but, in general, longer-term funds were available only from non-institutional sources. Banks were not permitted to make loans on the security of land, buildings or other fixed assets, and other institutional lenders such as insurance and trust and loan companies were, so far as smaller mortgages were concerned, mainly interested in lending on residential rather than business property. There was therefore a special interest in broadening the sources of term financing, particularly for smaller businesses, to encourage industrial development.

The Industrial Development Bank, the new organization to provide term financing to Canadian business, was set up as a public institution with all of its capital stock being subscribed by the central bank, the Bank of Canada. It was intended to supplement rather than compete with the activities of other lenders, and to provide credit only when this was not available elsewhere on reasonable terms and conditions. The Industrial Development Bank Act also indicated that the IDB was to



confine its lending to enterprises which seemed likely to be financially successful and able to repay their borrowings from the Bank, and that the IDB was to be particularly concerned with the financing problems of smaller business enterprises.

These guiding principles were set forth in the preamble to the Industrial Development Bank Act which reads as follows:

“Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises.”

As the IDB would be operating in a field of lending new in Canada and would have problems of acquiring or training staff with the necessary specialized skills, its operations were at first limited to the area in which the immediate need for its facilities was expected to be greatest. Under the Act as proclaimed in 1944, IDB's field of operations was confined almost entirely to manufacturing enterprises, where the importance of investment in fixed assets made the provision of longer-term capital funds a particularly urgent problem. As the Bank acquired operating experience the scope of the IDB's operations was steadily broadened by successive amendments to the IDB Act:

- In 1952, the Bank was empowered to provide financing to commercial air services in Canada.
- In 1956, the range of industrial enterprises which the Bank could finance was extended considerably, to include for the first time such activities as processing, installing, reconditioning, repairing, cleaning, etc.
- In 1961, the Bank's field of activity was enlarged to include “any industry, trade or other business undertaking of any kind.”

Since 1961 the Bank has been able to provide financial assistance to virtually all types of business enterprises in Canada; a few are, for policy reasons, not regarded as appropriate for IDB financing.

In keeping with the Bank's fundamental objective of making its facilities conveniently accessible in all parts of the country, branch offices have been established in key centres as the volume of business developed and suitable trained staff were available. The first IDB branches opened, shortly after the inception of the Bank, were in the metropolitan centres of Montreal, Toronto, Winnipeg and Vancouver. In 1956, branches were opened at Halifax and Calgary, and in 1959 at Saint John, Quebec City, London and Regina. In 1960, and in each succeeding year, additional branch offices have been established until, at the present time, the Bank has a network of twenty-five branches extending to all parts of the country. In addition, regular advertised visits are paid by each IDB branch to contiguous areas to contact interested applicants.

---

On the following pages are photographs illustrating the operations of a few of the more than 9,000 individual businesses to which the Bank has extended financial assistance in past years.



Manufacturing spiral welded pipe for use as piling or to carry air, water, and other gases and liquids.



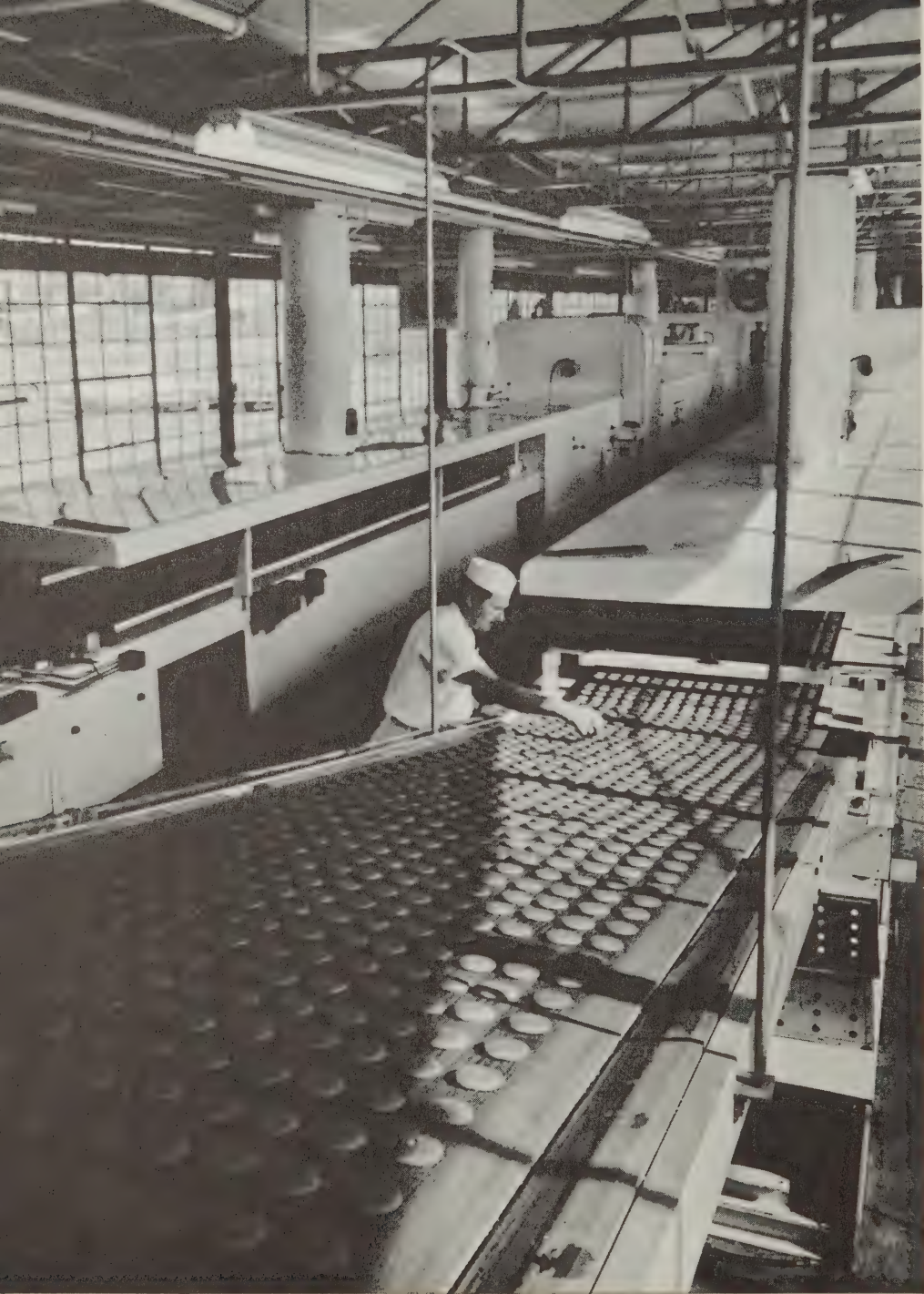


Freshly caught fish being unloaded into a processing plant.



High speed plastic injection moulding machines being made for sale chiefly in foreign markets.





Cookies emerging from a band oven.

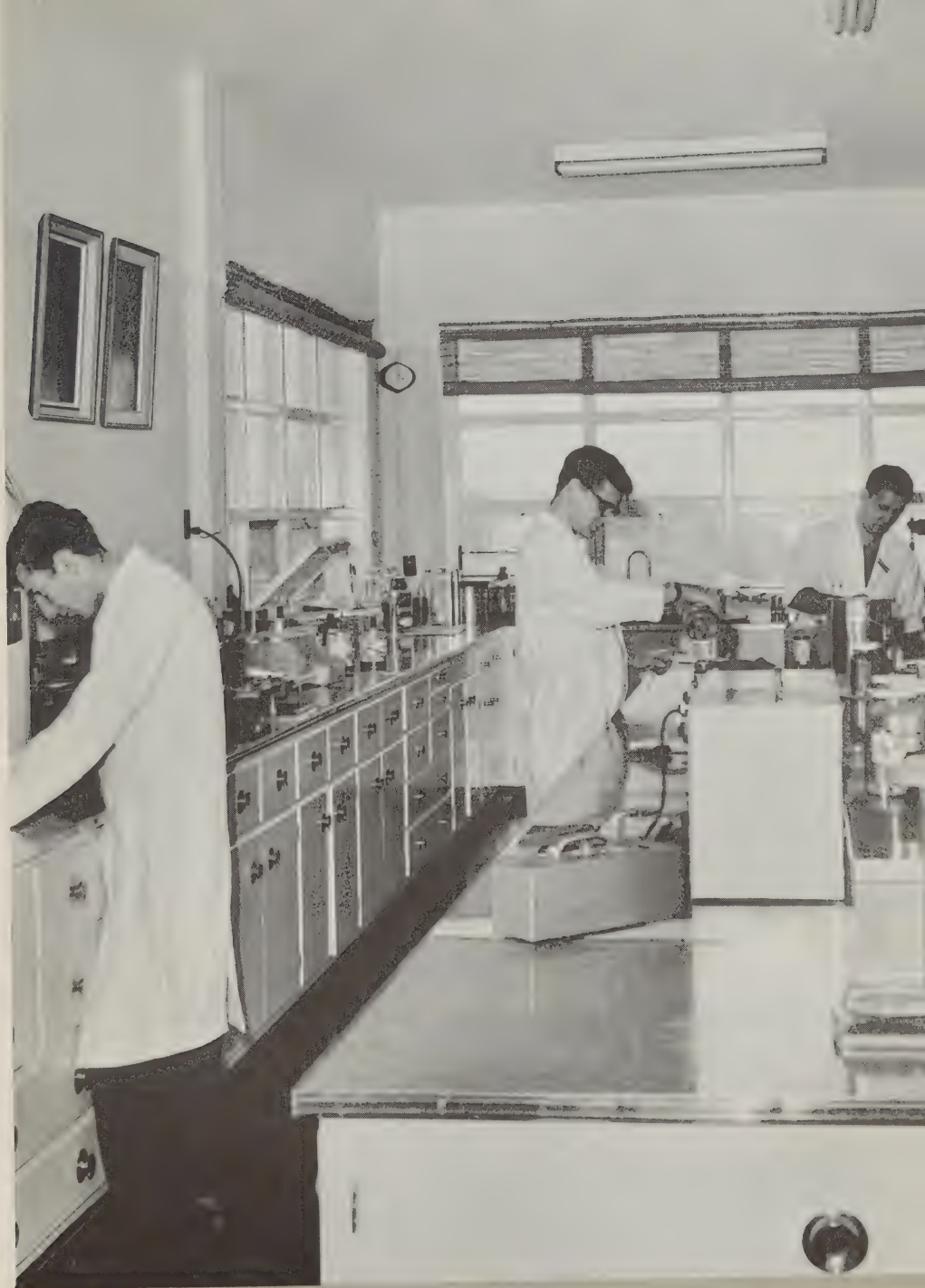


Flower cuttings being planted in a greenhouse.

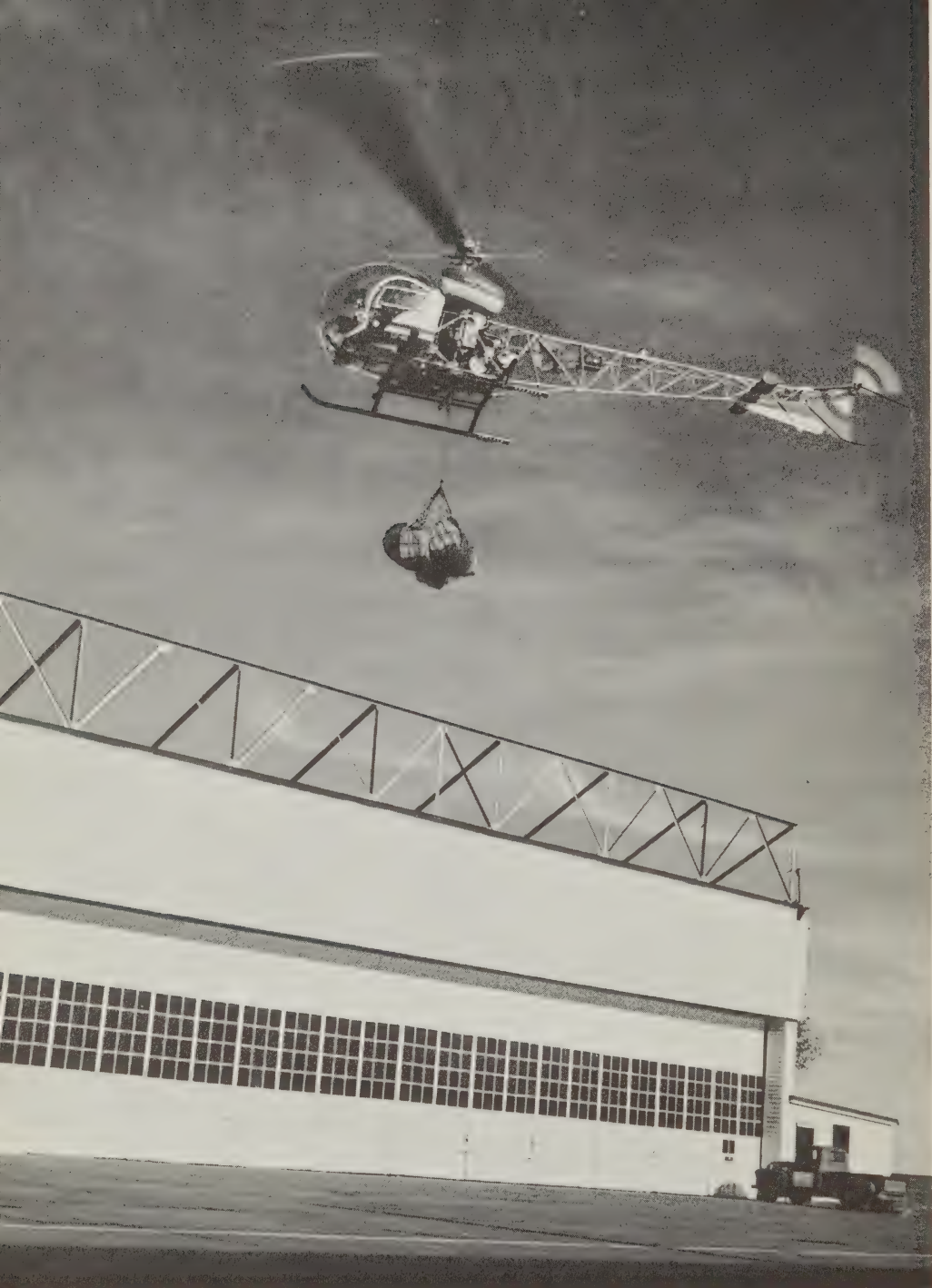




Preparing yarn for weaving wool fabrics.

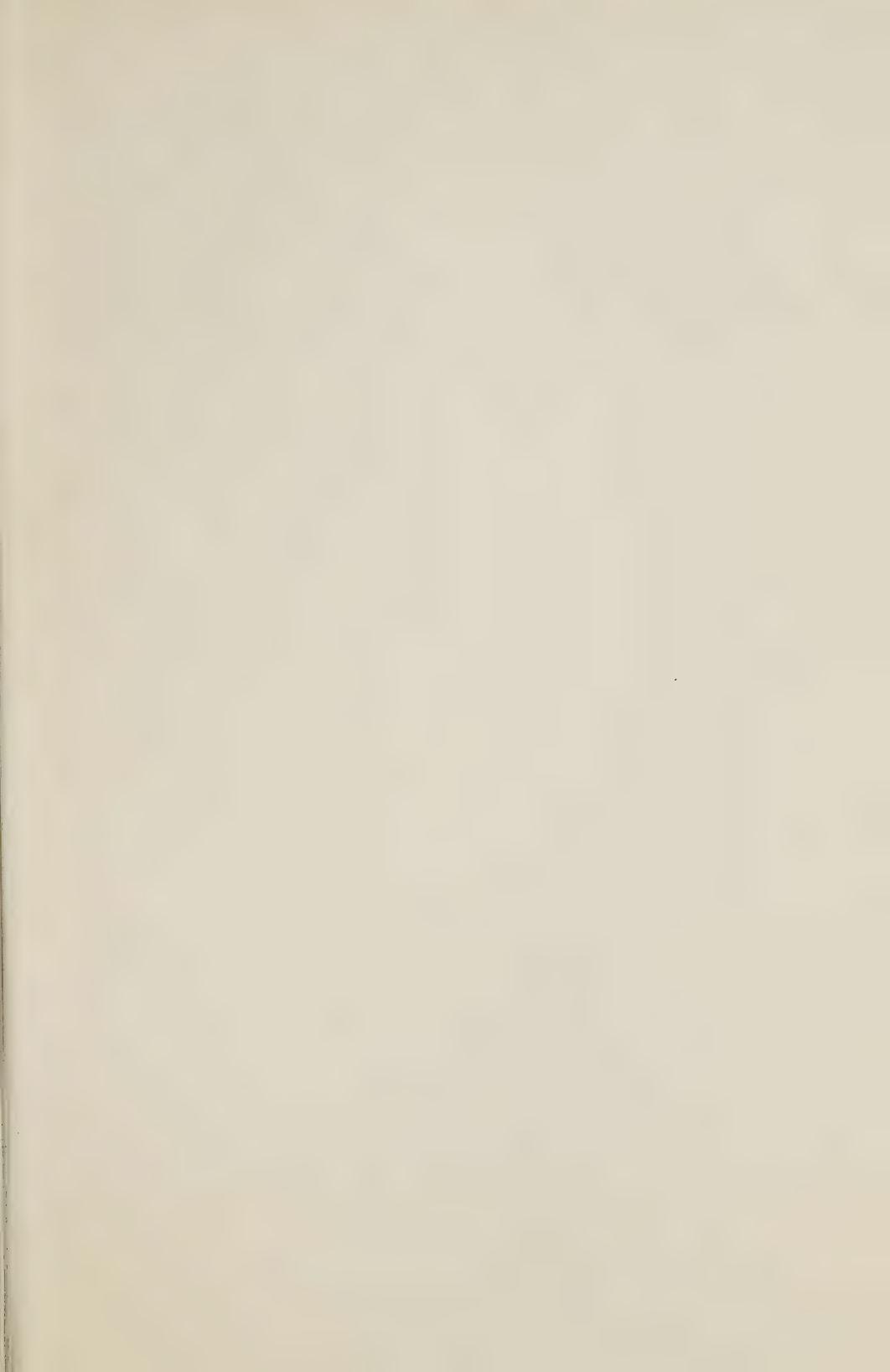


Analyzing paints and lacquers in a laboratory for purpose of quality control.



This company operates a charter helicopter service to move men and equipment to inaccessible areas.



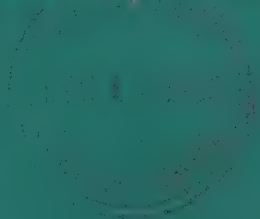




CA1  
FN130  
- R27

Government  
Publication

***idb* INDUSTRIAL  
DEVELOPMENT BANK, Ottawa**



**REPORT (OF THE PRESIDENT) AND  
STATEMENT OF ACCOUNTS**

**(FISCAL YEAR)  
1965**



***idb*** **INDUSTRIAL  
DEVELOPMENT BANK**

HEAD OFFICE

OTTAWA

December 1st, 1965

The Hon. Mitchell Sharp, P.C.,  
Acting Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ending September 30th, 1965, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

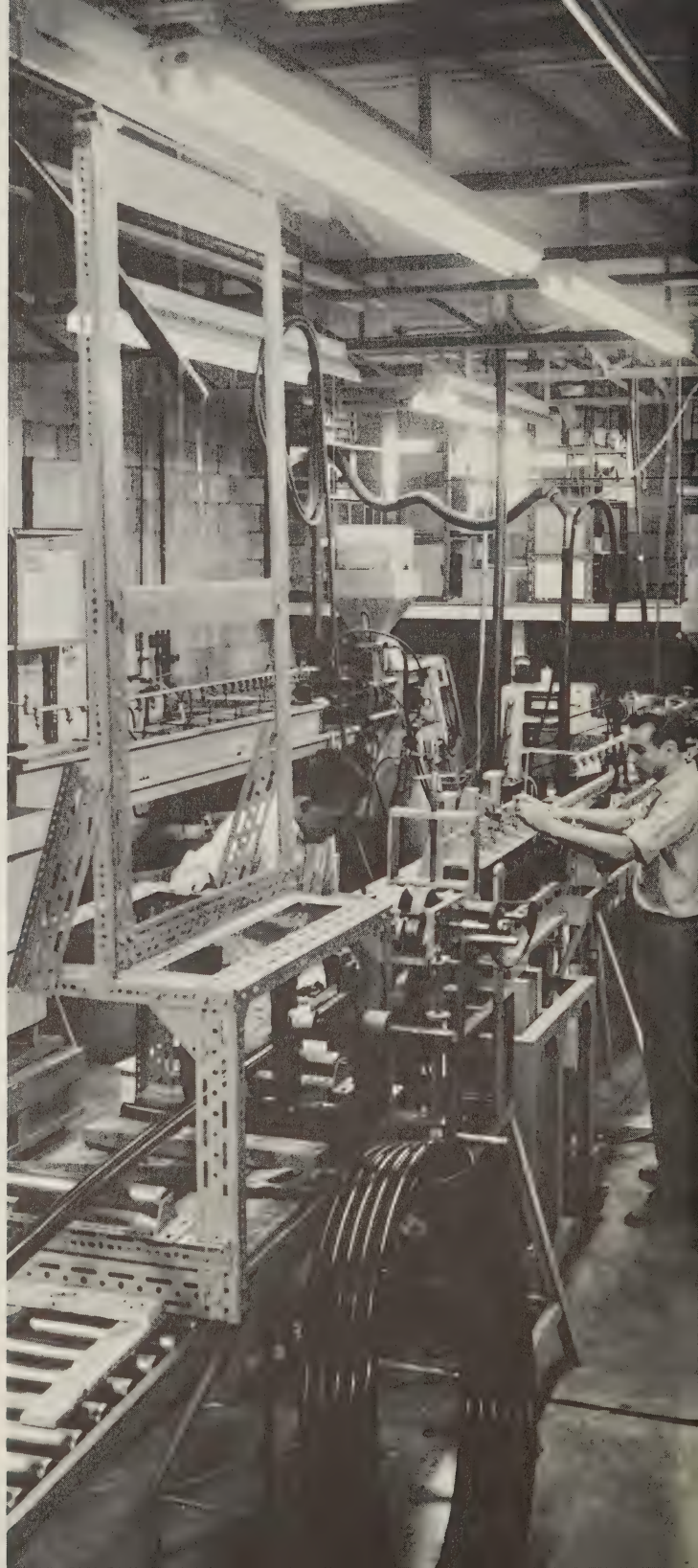
Yours very truly,



President



Extruding  
polyethylene pipe.



# Contents

---

Highlights .....	4
President's Report .....	5-9
Income, Expense and Profit .....	12
Reserves .....	13
Assets and Liabilities as at September 30, 1965 .....	14-15
Loan Approvals — Classification by New or Existing Borrowers, by Size of Loan, and by Province, 1960 - 1965 .....	16-17
Charts Showing Loan Approvals and Loans on the Books, 1956 - 1965	18
Provincial Distribution of Loans .....	19
Summary Statistics of Loans, 1960 - 1965 .....	19
Classification of Loan Approvals by Types of Businesses, 1960 - 1965	20-21
Board of Directors .....	24
Officers at Head Office and General Manager's Office .....	25
Officers at Regional and Branch Offices .....	26-27

---

The photographs included in this report illustrate the operations of a few of the more than 10,000 individual businesses to which the Bank has extended financial assistance.

# Highlights

---

## Amount of loans at September 30, 1965:

*(millions of dollars)*

Outstanding . . . . .	254.3
Undisbursed . . . . .	42.6
	<hr/>
	296.9
	<hr/>

## Number of customers at fiscal year-end:

Fiscal 1961 . . . . .	2,768
Fiscal 1962 . . . . .	4,083
Fiscal 1963 . . . . .	5,104
Fiscal 1964 . . . . .	6,027
Fiscal 1965 . . . . .	6,961

## Number of loans approved in fiscal year:

Fiscal 1961 . . . . .	1,365
Fiscal 1962 . . . . .	2,085
Fiscal 1963 . . . . .	1,986
Fiscal 1964 . . . . .	2,083
Fiscal 1965 . . . . .	2,209

## Amount of loans approved in fiscal year:

*(millions of dollars)*

Fiscal 1961 . . . . .	71.2
Fiscal 1962 . . . . .	92.0
Fiscal 1963 . . . . .	79.8
Fiscal 1964 . . . . .	88.1
Fiscal 1965 . . . . .	96.1

TWENTY-FIRST ANNUAL REPORT  
OF THE PRESIDENT—1965

The past fiscal year was one of continuing growth for the Industrial Development Bank. Lending activity was greater than in any previous year, as measured both by the number and by the amount of loans approved. At the fiscal year-end, September 30, 1965, the number of customers on the books of the IDB was nearly 7,000, and loans outstanding or in course of disbursement totalled almost \$300 million.

The substantial rate of lending experienced in 1964 increased further in 1965. The number of loans approved in fiscal 1965 rose by 6 per cent to 2,209, while the amount approved totalled \$96.1 million, an increase of 9 per cent.

As in previous years, more than half the number of IDB loans approved in 1965 were for amounts of \$25,000 or less. The number of larger loans decreased slightly from the previous year; approvals for loans in excess of \$100,000 were approximately 5 per cent of the total loan approvals by number and 30 per cent of the total by amount.

The average size of IDB loans approved in fiscal 1965 was \$43,500; it has changed but little over the last few years. The relatively small average size of our loans, together with the rise in the number of loan applications and approvals, reflects the continuing financial needs of small business and the special attention that IDB pays to applications from small business. A detailed classification of loan approvals by size appears on pages 16 and 17.

## TYPES OF BUSINESS

A classification of loan approvals in fiscal 1964 and 1965 by types of business is given below; more detailed figures of numbers of loans and amounts appear on pages 20 and 21.

	Fiscal 1964		Fiscal 1965	
	Number	Amount	Number	Amount
Manufacturing . . . . .	35%	48%	36%	47%
Wholesale and retail trade . . . . .	21	15	23	16
Personal services (including restaurants, motels, laundries, etc.) . . . .	14	11	10	9
Agriculture . . . . .	10	7	9	7
Construction . . . . .	6	5	6	5
Transportation and storage . . . . .	4	6	6	7
Recreation services . . . . .	3	3	3	2
Other . . . . .	7	5	7	7
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

## CUSTOMERS' PROGRAMMES

In fiscal 1965, IDB loans in the amount of \$96 million helped in financing customers' programmes totalling \$126 million. As in previous years, the purchase of land, buildings, machinery and equipment made up the major part of these programmes.

	Fiscal 1965	
	Millions of dollars	Per cent of total
Land and buildings . . . . .	\$ 49.1	38.8%
Machinery and equipment . . . . .	39.9	31.6
Increase in working capital . . . . .	16.2	12.8
Refinancing of realty mortgages . . . . .	4.5	3.6
Refinancing of suppliers' liens on equipment . . . . .	1.9	1.5
Refinancing of other liens on equipment . . . . .	1.6	1.3
Refinancing of other obligations . . . . .	4.1	3.2
Financing of changes in ownership . . . . .	5.8	4.6
All other purposes . . . . .	3.3	2.6
	<u>\$126.4</u>	<u>100.0%</u>



Refinancing of term indebtedness to other creditors represented only a small part of customers' programmes, and in most cases refinancing was necessary to remove encumbrances from assets which were to be pledged to the IDB as security for its loan.

## ORGANIZATION

A new branch office was opened in Prince George early in September 1965 in order to make the services of IDB more readily accessible to businessmen in the Peace River district and in the northern interior of British Columbia. Previously these areas had been served by the IDB's branches in Edmonton and Vancouver.

At the end of the year, plans had been completed to divide the Toronto office of the IDB into two separate branches — Metropolitan Toronto Branch, serving the metropolitan area, and Mid-Ontario Branch, serving the rest of central Ontario. The division is designed to reduce the time involved in dealing with applications in the area and to maintain and improve the standard of service to the public.

There are now twenty-seven IDB branches across the country; they are listed on pages 26 and 27.

Representatives of the IDB regularly make visits to centres of population some distance removed from the nearest IDB office. The visits are advertised in advance in the local press and other media and prospective customers are invited to discuss their proposals with the visiting officer. This programme of visits was stepped up again in the past year in order to bring the IDB's services to the attention of businessmen in as many places as possible. In fiscal 1965, 436 visits were made to 143 localities, compared with 226 visits to 105 different cities and towns in fiscal 1964. These visits have resulted in a substantial flow of enquiries.

The increase in the number of customers and the greater activity in lending necessitated additions to staff. In the course of the fiscal year the number of staff rose by 53 to 557. Behind the continued growth in the IDB's business lie the loyal and imaginative efforts of the staff. I wish to record my appreciation of the high standard of performance maintained.

The IDB, one of the first organizations of its kind in the world, has

assisted in the development of similar institutions elsewhere, especially in a number of emerging and newly industrializing countries, by receiving trainees and observers from sister institutions in more than twenty countries. During the past year, the services of the General Manager were made available to the International Finance Corporation, an affiliate of the World Bank, to prepare a report, following an on-the-spot investigation, on the establishment of a development finance company in a member country.

## FINANCIAL STATEMENTS

The statements of income and expense and the year-end balance sheets for the fiscal years 1964 and 1965 appear on pages 12, 14 and 15.

Loan disbursements in fiscal 1965 were \$80.8 million, an increase of \$11.2 million over fiscal 1964. Repayments amounted to \$49.8 million, up \$3.8 million over last year. Of the remaining funds required to be raised \$25.3 million was obtained from the sale of debentures and \$3.0 million from the issue of share capital.

In accordance with the Industrial Development Bank Act, the additional share capital was subscribed by the Bank of Canada, which also purchased all debentures issued during the year.

Income and expenses for fiscal 1965 together with comparative figures for the previous four years are summarized as follows:

	Fiscal 1961	Fiscal 1962	Fiscal 1963	Fiscal 1964	Fiscal 1965
	(thousands of dollars)				
Income . . . . .	7,424	9,692	12,629	14,660	17,107
<i>Less:</i>					
Operating expenses .	2,779	4,141	4,651	4,906	5,295
Cost of debentures .	3,008	4,486	6,556	7,891	9,549
Net income before provision for losses . . .	1,637	1,065	1,422	1,863	2,263
<i>Less:</i> Provision for bad and doubtful debts .	444	650	729	998	1,323
Net income transferred to Reserve Fund . . .	1,193	415	693	865	940

Bad debts aggregating \$608,000 were written off out of the Reserve for Losses during the year, while \$35,000 previously written off was recovered. The sum of \$1,323,000 was appropriated from profits to the Reserve for Losses, which stood at \$5,250,000 at the year-end. At the end of fiscal 1965, the Reserve for Losses amounted to 1.77 per cent of the \$296.9 million of loans then outstanding or committed. The total of actual losses realized since the inception of IDB in 1944 plus the reserve for possible future losses amounts to 1.34 per cent of the \$583.5 million of loans taken up by customers during the twenty-one years.

As the IDB Act provides, the net income for 1965 after provision for bad and doubtful debts was added to the Reserve Fund, raising it to \$18,423,096.

---



Manufacturing electric toasters.





Jars of honey being labelled.



# ***idb* INDUSTRIAL DEVELOPMENT BANK**

## **Income, Expense and Profit**

for the year ended September 30, 1965

WITH COMPARATIVE FIGURES FOR THE YEAR ENDED SEPTEMBER 30, 1964

	(\$000) 1965	(\$000) 1964
<b>INCOME</b>		
Interest . . . . .	\$16,626	\$14,232
Profit on sale of investments . . . . .	55	14
Sundry . . . . .	426	414
	<u>\$17,107</u>	<u>\$14,660</u>
<b>EXPENSE</b>		
Salaries <sup>(1)</sup> . . . . .	\$ 3,575	\$ 3,310
Pension fund, unemployment insurance and group insurance . . . . .	252	220
Other staff expenses <sup>(2)</sup> . . . . .	57	48
Investigation and supervision expenses . . . . .	88	80
Travel and transfer expenses . . . . .	161	113
Rental and other costs — leased premises . . . . .	531	522
Depreciation on equipment . . . . .	81	73
Advertising . . . . .	105	101
Other public information <sup>(3)</sup> . . . . .	47	38
Telephone and telegrams . . . . .	132	124
Office supplies and expenses . . . . .	156	173
Directors' fees . . . . .	12	12
Auditors' fees and expenses . . . . .	18	16
All other operating expenses . . . . .	80	76
Total operating expenses . . . . .	<u>\$ 5,295</u>	<u>\$ 4,906</u>
Interest on debentures (including amortization of discount and premium) . . . . .	9,549	7,891
Provision for bad and doubtful debts . . . . .	1,323	998
	<u>\$16,167</u>	<u>\$13,795</u>
Profit transferred to reserve fund . . . . .	<u>\$ 940</u>	<u>\$ 865</u>

(1) The number of staff averaged 526 in 1965 and 505 in 1964.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

# Reserves

---

## RESERVE FOR LOSSES

(\$000)

Balance, October 1, 1964..... \$ 4,500

### Add:

Recovery of amounts previously written off..... \$ 35

Provision for bad and doubtful debts for the year ended  
September 30, 1965..... 1,323 1,358

---

\$ 5,858

### Less:

Bad debts written off..... 608

---

Balance, September 30, 1965..... \$ 5,250

---

---

## RESERVE FUND

Balance, October 1, 1964..... \$17,483

Profit for the year ended September 30, 1965..... 940

---

Balance, September 30, 1965..... \$18,423

---

---

# Assets and Liabilities as at September

WITH COMPARATIVE FIGURES AS AT SEPTEMBER 30, 1964

ASSETS	1965	1964
Cash on hand and deposits with other banks \$	106,846	\$ 16,147
Loans and investments . . . . \$255,145,386		
Accrued interest (1964 - \$1,085,826) . . . . . 1,254,086	256,399,472	225,314,261
Property held for sale (including agreements for sale) . . . . .	579,054	213,285
Guarantees and underwriting agreements (as per contra) . . . . .	17,975	36,475
Unamortized discount and premium on debentures . . . . .	4,422,816	3,392,651
Other assets . . . . .	504,398	437,786
	<u>\$262,030,561</u>	<u>\$229,410,605</u>

NOTE: Amounts not disbursed at September 30, 1965 on loans authorized, \$42,590,873 (1964 - \$39,708,135).

L. RASMINSKY

PRESIDENT

A. J. NORTON

CHIEF ACCOUNTANT

30, 1965

***idb* INDUSTRIAL  
DEVELOPMENT BANK**

LIABILITIES	1965	1964
Capital —		
Authorized:		
500,000 shares par value \$100 each		
Issued and paid up:		
380,000 shares (1964 - 350,000 shares).	\$ 38,000,000	\$ 35,000,000
Reserve fund . . . . .	18,423,096	17,483,262
Reserve for losses . . . . .	5,250,000	4,500,000
Debentures outstanding . . . . \$195,400,000		15,432
Accrued interest		
(1964 - \$3,787,250) . . . . . 4,438,500	199,838,500	171,887,250
Liabilities under guarantees and underwrit- ing agreements . . . . .	17,975	36,475
Other liabilities . . . . .	500,990	503,618
	<u>\$262,030,561</u>	<u>\$229,410,605</u>

**AUDITORS' REPORT**

We have made an examination of the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1965 and have received all the information and explanations we have required. We report that in our opinion it correctly sets forth the position of the bank as at September 30, 1965 according to the best of our information and as shown by the books of the bank.

H. MARCEL CARON, C.A.  
of Clarkson, Gordon & Cie.

T. A. M. HUTCHISON, F.C.A.  
of Peat, Marwick, Mitchell & Co.

Ottawa, October 29, 1965.



# Loan Approvals

DURING FISCAL YEARS ENDING SEPTEMBER 30

## CLASSIFICATION BY NEW OR EXISTING BORROWERS:

	NUMBER			
	1960	1961	1962	1963
To New Borrowers.....	571	1,070	1,730	1,532
To Existing Borrowers.....	169	295	355	454
Total.....	740	1,365	2,085	1,986

## CLASSIFICATION BY SIZE:

\$ 5,000 or less.....	28	39	72	100
Over 5,000 to 25,000.....	313	578	985	993
Over 25,000 to 50,000.....	188	372	526	476
Over 50,000 to 100,000.....	124	234	340	303
Over 100,000 to 200,000.....	60	105	121	84
Total up to \$200,000.....	713	1,328	2,044	1,956
Over \$200,000.....	27	37	41	30
Total.....	740	1,365	2,085	1,986

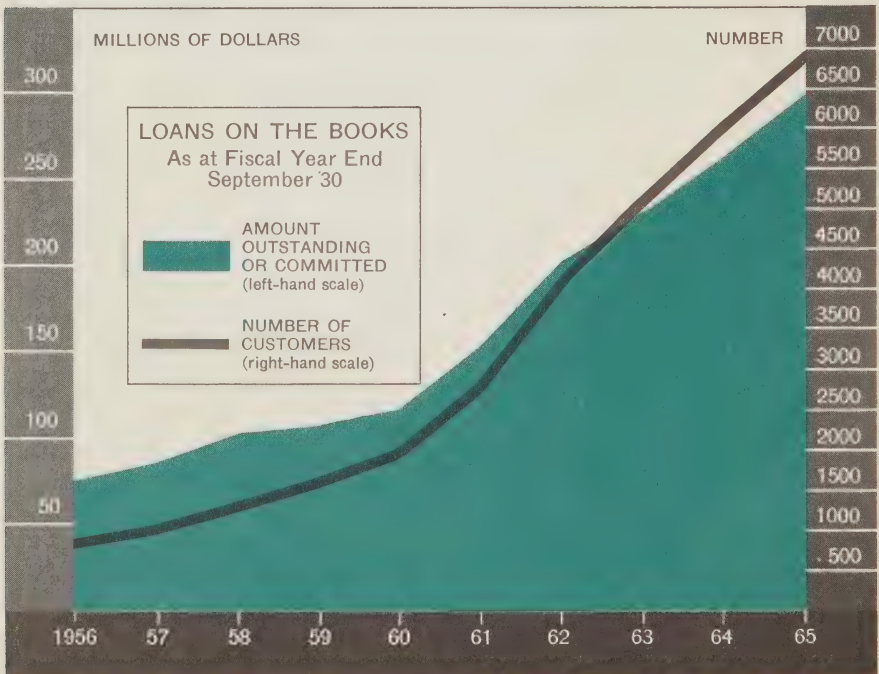
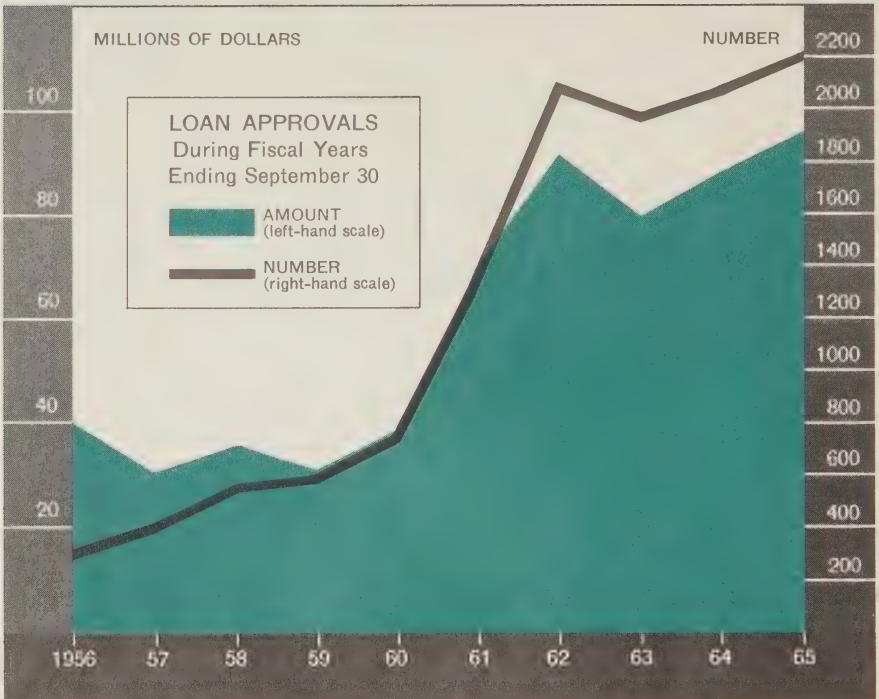
Average Size.....

## CLASSIFICATION BY PROVINCE:

Newfoundland.....	8	21	60	52
Prince Edward Island.....	8	4	16	12
Nova Scotia.....	28	49	61	47
New Brunswick.....	30	61	89	70
Quebec.....	147	258	423	395
Ontario.....	264	538	810	676
Manitoba.....	37	106	143	159
Saskatchewan.....	28	64	86	78
Alberta.....	76	131	217	306
British Columbia.....	110	128	169	181
Yukon and N.W. Territories.....	4	5	11	10
Total.....	740	1,365	2,085	1,986



		AMOUNT (\$000)					
1964	1965	1960	1961	1962	1963	1964	1965
1,514	1,602	29,517	53,596	75,922	61,020	62,964	69,936
569	607	9,059	17,640	16,059	18,791	25,184	26,210
2,083	2,209	38,576	71,236	91,981	79,811	88,148	96,146
86	* 76	121	165	304	431	363	306
1,054	1,072	4,905	8,960	15,278	15,113	16,503	17,011
519	565	7,131	14,238	20,414	18,324	19,778	21,782
289	378	9,659	17,610	25,289	22,737	21,571	28,214
96	81	8,748	15,418	17,797	12,249	13,666	11,948
2,044	2,172	30,564	56,391	79,082	68,854	71,881	79,261
39	37	8,012	14,845	12,899	10,957	16,267	16,885
2,083	2,209	38,576	71,236	91,981	79,811	88,148	96,146
.....		52	52	44	40	42	44
60	46	698	754	1,628	1,531	1,982	1,588
4	7	111	70	403	305	61	278
62	51	1,075	2,130	2,840	1,881	2,122	2,356
52	62	888	2,711	2,491	2,276	1,747	1,794
439	485	9,398	16,884	24,340	22,520	24,982	25,479
675	684	12,388	24,952	33,686	27,902	28,124	30,123
154	166	1,895	5,433	6,417	5,585	5,856	5,901
120	152	1,493	3,133	2,938	2,344	3,729	4,696
282	256	3,465	5,990	8,041	8,388	8,786	8,980
230	293	7,057	9,032	8,605	6,727	10,569	14,692
5	7	108	147	592	352	190	259
2,083	2,209	38,576	71,236	91,981	79,811	88,148	96,146



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books as at September 30, 1965		Total Authorizations November 1, 1944 to September 30, 1965	
	Number of Businesses	Amounts Outstanding or Committed	Number of Businesses	Amounts
		(\$000)		(\$000)
Newfoundland.....	175	5,687	225	9,748
Prince Edward Island.....	35	790	53	7,018
Nova Scotia.....	189	8,050	306	18,163
New Brunswick.....	236	6,901	398	19,416
Quebec.....	1,447	85,897	2,311	206,107
Ontario.....	2,382	97,936	3,691	232,270
Manitoba.....	529	18,365	787	43,797
Saskatchewan.....	360	11,150	507	26,472
Alberta.....	869	26,714	1,254	61,707
British Columbia.....	709	34,461	1,307	98,819
Yukon, N.W. Territories.....	30	986	46	2,936
Total.....	6,961	296,937	10,885	726,453

## SUMMARY STATISTICS OF LOANS

FOR FISCAL YEARS ENDING SEPTEMBER 30

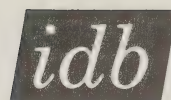
<i>(Millions of Dollars)</i>	1960	1961	1962	1963	1964	1965
Amounts Drawn Down by Borrowers.....	29.7	47.5	74.3	74.0	69.6	80.8
Repayments by Borrowers.....	23.4	27.1	32.6	38.2	46.0	49.8
Amounts Written Off (net)						
Principal.....	.1	.2	.2	.1	.2	.4
Interest.....	..	..	..	..	..	(.2)
Increase in Amounts Outstanding	6.2	20.2	41.5	35.7	23.4	30.6
Amounts Outstanding at Year-End	102.9	123.1	164.6	200.3	223.7	254.3
Amounts Not Yet Disbursed at Year-End on Loans Authorized.	16.9	31.1	39.0	31.7	39.7	42.6
Amounts Outstanding Plus Undisbursed at Year-End.....	119.8	154.2	203.6	232.1	263.4	296.9
Number of Customers on the Books at Year-End.....	1,966	2,768	4,083	5,104	6,027	6,961
Average Amount Outstanding Plus Undisbursed per Customer (Thousands of Dollars).....	61	56	50	45	44	43

# Classification of Loan Approvals by Types

DURING FISCAL YEARS ENDING SEPTEMBER 30

	NUMBER			
	1960	1961	1962	1963
Manufacturing:				
Foods and Beverages.....	91	159	164	160
Tobacco and Tobacco Products.....	..	..	..	..
Rubber Products.....	3	9	1	6
Leather Products.....	2	15	6	6
Textile Products (except Clothing).....	11	15	27	26
Clothing (Textiles and Fur).....	25	49	53	45
Wood Products.....	76	126	130	112
Paper Products (including Pulp).....	12	18	11	18
Printing and Allied Industries.....	34	58	64	46
Iron and Steel Products.....	104	191	164	166
(including Machinery and Equipment)				
Transportation Equipment.....	25	40	16	25
Non-Ferrous Metal Products.....	15	16	3	7
Electrical Apparatus and Supplies.....	12	22	25	13
Non-Metallic Mineral Products.....	39	65	66	54
Products of Petroleum and Coal.....	2	3	3	..
Chemical Products.....	24	27	28	26
Miscellaneous Manufacturing Industries.....	17	40	45	56
Commercial Air Services.....	10	20	20	12
Warehousing (including Refrigeration).....	13	13	12	11
Other Transportation and Storage.....	61	103	88	92
Electric Power, Gas, Water Utilities.....	..	..	2	2
Mines (incl. Milling) Quarries, Oil Wells.....	20	31	29	16
Construction.....	59	144	160	123
Industrial Buildings.....	13	28	32	34
Personal Services.....	23	42	270	261
Forestry.....	2	5	9	6
Wholesale Trade.....	19	33	153	121
Retail Trade.....	20	57	240	225
Education and Health Services.....	..	2	18	10
Recreation Services.....	..	1	67	59
Services to Business Management.....	2	4	25	21
Miscellaneous Services.....	4	18	34	39
Agriculture.....	2	11	106	175
Fishing and Trapping.....	..	..	1	6
Communications.....	..	..	13	7
(Enterprises engaged in more than one type of business are classified according to major activity.)	740	1,365	2,085	1,986

# Businesses



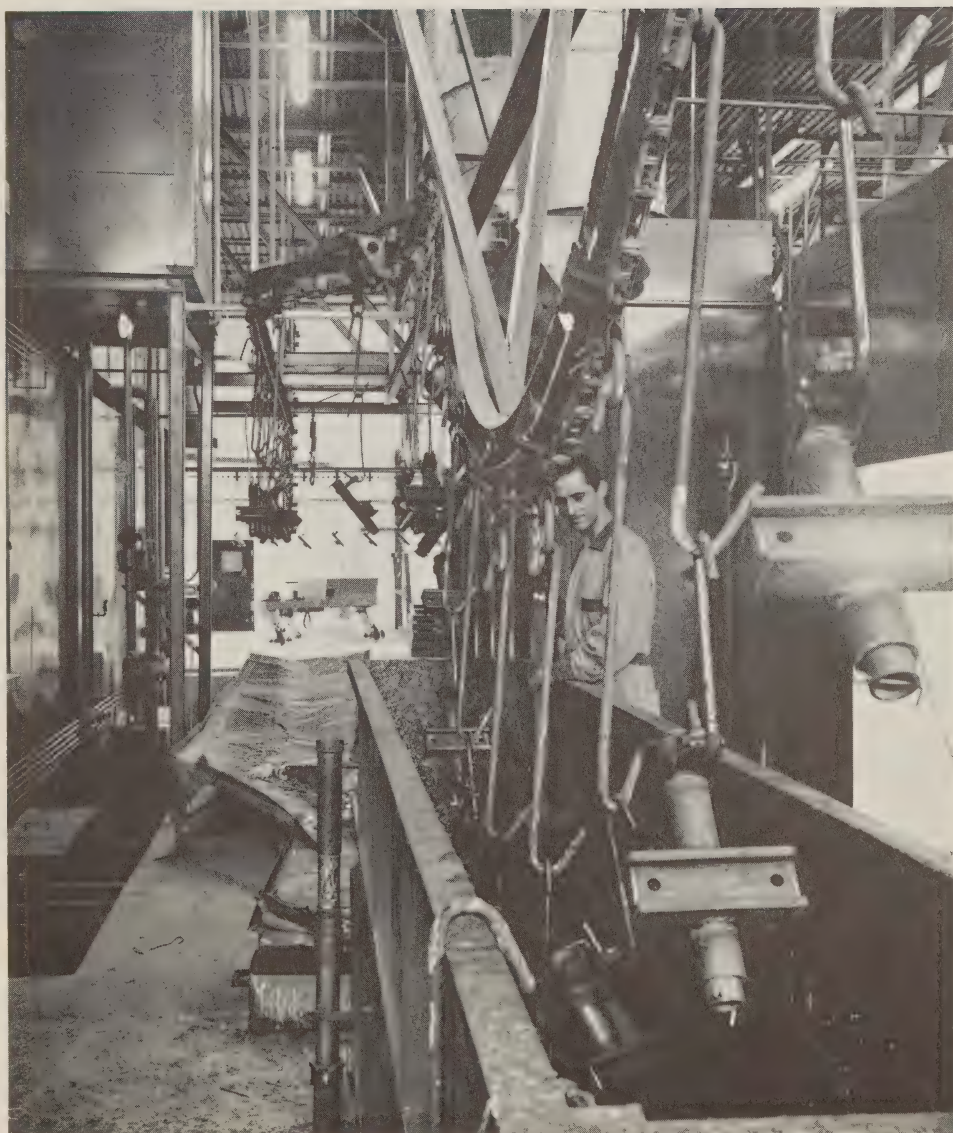
## AMOUNT (\$000)

<u>1964</u>	<u>1965</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
150	152	5,423	8,625	6,919	7,525	8,986	8,680
..	1	...	...	...	...	...	74
5	4	205	547	25	162	233	192
14	18	115	1,026	463	372	434	644
19	25	474	933	2,323	1,695	1,610	4,457
38	49	837	2,585	2,934	1,446	1,919	2,102
115	119	5,217	7,557	7,542	6,281	5,954	6,321
15	13	803	1,615	407	1,430	758	1,454
47	56	1,148	2,380	2,058	2,082	2,290	1,788
183	193	4,718	8,971	6,701	8,020	12,434	9,694
23	20	765	1,334	648	847	699	844
2	8	659	676	93	296	407	318
16	19	531	2,112	1,860	566	1,240	1,200
47	48	2,511	5,889	3,097	2,248	2,625	3,332
3	2	40	224	152	...	169	60
9	21	942	1,233	1,234	1,522	277	779
47	53	888	1,806	1,394	2,298	2,035	2,894
15	23	598	908	1,497	384	993	845
9	9	1,215	745	745	1,173	439	521
67	93	4,012	5,445	4,579	4,791	4,078	5,506
4	3	...	...	80	63	79	70
17	25	1,500	2,614	1,668	550	1,053	1,102
117	132	2,358	5,999	6,623	3,877	4,004	4,566
36	36	567	1,232	1,312	1,462	1,354	1,818
290	226	672	1,596	12,868	10,022	10,025	8,639
7	4	292	220	612	77	147	176
151	196	740	1,458	5,905	4,461	5,509	6,816
291	319	911	2,323	6,888	6,134	7,772	8,989
7	9	...	85	463	181	100	696
61	54	...	100	4,174	2,662	2,584	1,971
13	16	105	168	628	631	307	498
43	43	245	588	1,156	913	1,061	1,164
201	205	85	242	4,127	4,809	5,892	7,118
5	6	...	...	8	455	166	350
16	9	...	...	798	376	515	468
<u>083</u>	<u>2,209</u>	<u>38,576</u>	<u>71,236</u>	<u>91,981</u>	<u>79,811</u>	<u>88,148</u>	<u>96,146</u>





Moving cattle on a  
foothills ranch.



Farm implement parts being dipped in paint tank.

## Board of Directors

\*L. RASMINSKY, C.B.E., OTTAWA, ONT.

\*J. R. BEATTIE, OTTAWA, ONT.

\*A. I. BARROW, C.A., R.I.A., HALIFAX, N.S.

\*R. B. BRYCE, OTTAWA, ONT.

A. J. E. CHILD, SASKATOON, SASK.

N. H. DeBLOIS, CHARLOTTETOWN, P.E.I.

A. J. MacINTOSH, Q.C., TORONTO, ONT.

\*W. A. MACKINTOSH, KINGSTON, ONT.

J. RENÉ OUIMET, MONTREAL, QUE.

L. PATRICK, C.B.E., CALGARY, ALTA.

W. S. PERLIN, ST. JOHN'S, NFLD.

W. F. RYAN, Q.C., FREDERICTON, N.B.

DANIEL SPRAGUE, F.C.A., WINNIPEG, MAN.

ALEXANDER WALTON, VANCOUVER, B.C.

\*J. H. WARREN, OTTAWA, ONT.

*\*Member of the Executive Committee*

## Head Office, Ottawa

L. RASMINSKY, C.B.E.	<i>President</i>
L. F. MUNDY	<i>Secretary</i>
P. D. SMITH	<i>Deputy Secretary</i>
A. J. NORTON	<i>Chief Accountant</i>
E. METCALFE	<i>Internal Auditor</i>

## General Manager's Office, Montreal

A. N. H. JAMES	<i>General Manager</i>
E. R. CLARK	<i>Assistant General Manager</i>
C. E. DEATHE	<i>Executive Assistant</i>
G. R. ELLIOTT	<i>Assistant Superintendent, Credit Department</i>
H. M. SCOTT	<i>Chief, Legal Department</i>
W. L. MUNDY	<i>Chief, Insurance Department</i>
H. DUNCAN	<i>Chief, Loan Accounting Department</i>
E. C. SCOTT	<i>Personnel Officer</i>
C. I. STUART	<i>Deputy Secretary</i>
J. W. SIVERS	<i>Information Officer</i>



# Regional and Branch Offices

---

ST. JOHN'S.....85 Elizabeth Avenue  
G. J. HILTZ, *Manager*

HALIFAX.....1583 Hollis Street  
E. A. BELL, *Supervisor*  
J. G. KENNA, *Assistant Supervisor*

SAINT JOHN.....75 Prince William Street  
J. B. S. OLDAKER, *Manager*

MONCTON.....236 St. George Street  
G. W. MADORE, *Manager*

## EASTERN REGION

REGIONAL OFFICE, MONTREAL.....901 Victoria Square  
H. R. STOKER, *Regional Supervisor*  
L. VIAU, *Assistant Supervisor*

RIMOUSKI.....133 St. Germain Street  
G. L. VEZINA, *Manager*

QUEBEC.....925 Chemin St. Louis  
J. J. PAQUIN, *Manager*  
J. Y. MILETTE, *Assistant Manager*

TROIS-RIVIÈRES.....550 Bonaventure Street  
I. M. WILLS, *Manager*

MONTREAL.....901 Victoria Square  
J. E. NORDIN, *Manager*  
J. J. G. BOURBONNIÈRE, *Assistant Manager*  
C. C. PINEAU, *Assistant Manager*

SHERBROOKE (Sub-Branch to Montreal).....31 King Street West

OTTAWA.....350 King Edward Avenue  
P. F. LIMOGES, *Manager*

## CENTRAL REGION

REGIONAL OFFICE, TORONTO.....250 University Avenue  
W. C. STUART, *Regional Supervisor*  
K. K. HAY-ROE, *Assistant Supervisor*

METROPOLITAN TORONTO.....250 University Avenue, Toronto  
J. R. GIBB, *Manager*  
J. G. WILSON, *Assistant Manager*  
R. L. MCLEAN, *Assistant Manager*

MID-ONTARIO.....250 University Avenue, Toronto  
I. D. MACLAREN, *Manager*  
J. A. ROBSON, *Assistant Manager*

HAMILTON.....36 James Street S.  
R. K. SUUTARI, *Manager*



## CENTRAL REGION (Cont'd)

KITCHENER-WATERLOO.....Waterloo Square Building, Waterloo  
L. F. SMITH, *Manager*

LONDON.....291 Dundas Street  
R. T. MACTAVISH, *Manager*

WINDSOR.....267 Pelissier St.  
C. R. T. BINGLEY, *Manager*

SUDBURY.....96 Larch Street, East  
N. J. WEEDMARK, *Manager*

## PRAIRIE REGION

REGIONAL OFFICE, WINNIPEG.....360 Broadway  
J. C. INGRAM, *Regional Supervisor*  
R. H. WHEELER, *Assistant Supervisor*

LAKEHEAD.....8-A North Cumberland Street, Port Arthur  
J. T. HORNE, *Manager*

WINNIPEG.....360 Broadway  
K. A. POWERS, *Manager*  
M. D. RUDKIN, *Assistant Manager*

REGINA.....2220 - 12th Avenue  
H. W. BAKER, *Manager*

SASKATOON.....406 - 21st Street, East  
H. D. RAMSEY, *Manager*

CALGARY.....320 Seventh Ave., S.W.  
H. J. C. RUSSELL, *Supervisor*  
F. G. STEWART, *Assistant Supervisor*

EDMONTON.....10010 - 105th Street  
E. G. CAPLING, *Manager*  
D. A. KERLEY, *Assistant Manager*

KELOWNA.....22A The Mall, Shops Capri  
C. V. SPIELMAN, *Manager*

PRINCE GEORGE.....1320 Fifth Avenue  
R. B. THOMAS, *Manager*

VANCOUVER.....1112 West Pender Street  
J. E. MILLARD, *Supervisor*  
W. H. JAY, *Assistant Supervisor*  
O. H. MORGAN, *Assistant Supervisor*

VICTORIA.....702 Fort Street  
C. B. READY, *Manager*

Dumping logs from  
self-loading barge.



Tourist lodge in the north country.















